

Jacob is 10

Jacob Rothschild  
spreads his  
wings, Page 14

# FINANCIAL TIMES

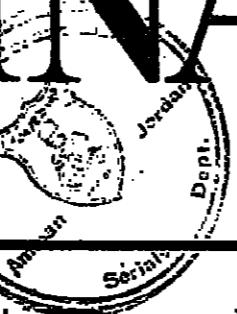
EUROPE'S BUSINESS NEWSPAPER

No. 29,162

Friday November 4 1983

D 8523 B

Austria	Scr 15	Indonesia	Rs 2500	Portugal	Esc 55
Belgium	DM 850	Italy	1100	S. Africa	Rs 6 00
Bulgaria	BF 35	Japan	1550	Singapore	SS 4 18
Croatia	LS 10	Jordan	1650	Spain	Pe 25
Cyprus	Mil 650	Kuwait	1800	Sri Lanka	Ru 30
Croatia	700	Lebanon	2100	Sweden	Sk 6 50
Cyprus	871 00	Malta	2125	Switzerland	Fr 2
Croatia	Fr 5 50	Monaco	24 25	Thailand	Ba 4 25
France	Fr 5 50	Morocco	Pe 300	Tunisia	Pe 0 600
Germany	DM 2 25	Netherlands	Db 8 00	Turkey	L 150
Greece	Dr 12 50	Portugal	Rs 2 25	U.A.E.	Db 5 50
Hong Kong	HKS 12	Norway	Nkr 6 00	U.S.A.	Db 5 50
India	Rs 15	Philippines	Pes 20	U.S.A.	Db 5 50



00

## NEWS SUMMARY

### GENERAL

### Reagan appoints Mid-East envoy

President Reagan yesterday appointed former Defence Secretary Donald Rumsfeld as his new special Middle East envoy.

Mr Rumsfeld, 51, was Defence Secretary from 1975-77 during the Ford Administration. He replaces Mr Robert McFarlane, named National Security Advisor two weeks ago. Page 16

In Geneva, the Lebanese national reconciliation conference moved towards a compromise over the still unratified troop withdrawal agreement between Israel and Lebanon.

In north Lebanon, Palestine Liberation Organisation chairman Yasir Arafat made renewed pleas for Arab help as fighting raged around his remaining stronghold. Page 3

### U.S. - Soviet missile differences narrow

The U.S. is expected soon to table more detailed proposals at Geneva to limit nuclear weapons in Europe. This will indicate that the differences between the two superpowers in two key areas have narrowed substantially in the last two weeks.

Page 2

In Moscow arms expert Lev Semenoff rejected a suggestion from western peace groups including West Germany's Greens Party that the Soviet Union should not take "tit-for-tat" action over western missiles.

### Iraqi land 'captured'

Iran said it captured Iraqi territory in the third phase of an offensive in the Kurdish mountains. Iraq issued a thinly-veiled warning of missile strikes against Iranian oil exports.

### \$19m for CIA

U.S. Senate has authorised \$19m in covert funds for the first half of 1984 to aid the CIA in its action against the Sandinista Government in Nicaragua.

### Dutch police threat

Dutch police said they would begin a series of work-to-rule actions on Monday unless the Government waived its undertaking to cut public sector pay. Page 16

### Aquino inquiry starts

A Philippine inquiry into the August assassination of opposition leader Benigno Aquino opened, with unruly spectators and journalists milling round. Page 3

### Newspaper halted

Italian Communist Party daily newspaper *L'Unità* was halted by a print workers' strike - the first for 60 years - over failure to draw up a lay-off plan. Page 17

### Eta crackdown plea

Spain's Prime Minister Felipe González renewed appeals to France to crack down on the Basque guerrilla organisation Eta as he presented tougher anti-terrorist legislation. Page 2

### Panda pampering

China is to build a second farm to save the giant pandas, the New China News Agency said. The farm will include eight playrooms equipped with swings. Page 17

### Briefly...

Death toll from Sunday's Turkish earthquake reached 1,330. Yellow fever killed 62 in northern Ghana, Accra Radio said. Zambian railworkers in the copper belt town of Ndola went on strike. Page 3

### BUSINESS

### Mexico 'a normal borrower by 1985'

By J. D. F. JONES IN PRETORIA

WHITE SOUTH AFRICA has voted by a two-to-one majority for a new constitution which will bring the country's "coloured" (mixed race) and Indian minorities into a parliamentary system and continue to exclude the black majority.

Results of Wednesday's referendum, announced yesterday, showed that 86 per cent of the whites who went to the poll voted "yes" and only 33 per cent voted "no".

This is a major victory for Mr P. W. Botha, the Prime Minister, because the detail of the result suggests that large numbers of English-speaking South Africans put aside their traditional antipathy to the Afrikaners' ruling National Party and helped him beat off right-wing opposition from within his own Afrikaner constituency and the exact mechanism remains, however, obscure.

Whites would retain considerable control through, for example, the enhanced powers of the republic's president and the set-up of the tri-cameral parliament. Blacks would be excluded from the system and the fundamental legislation of apartheid would remain unchanged.

Although analysis of the results is difficult because the votes were counted according to fifteen regional areas, not Parliamentary constituencies it appears that the official opposition Progressive Federal Party (PFP) failed to persuade many of its supporters to support the party line and vote "no".

The new constitution proposes a House of Representatives for the "coloureds", a House of Deputies for

Most observers had reckoned

Continued on Page 16

Living in the shadow of Ciskei.

Page 3

Financial activities of combined Chapterhouse Group

Merchant Banking: Charterhouse Japhet; investment banking and broking: Charterhouse Japhet; asset management: Charterhouse Japhet; investment management: Rothschild Investment Management Corp., Global Asset Management (part of RIT and Northern); Charterhouse Japan; linked life assurance: Target Life (part of RIT and Northern); unit trust management: Target Trust Managers, Bellapogues (part of RIT and Northern); asset broking: Auri (part of RIT and Northern); asset broking: Auri (part of RIT and Northern); factoring: Anglo Factoring (part of RIT and Northern); development: Charterhouse Development Corporation US; Charterhouse has substantial industrial interests while RIT and Northern holds an important 29.9 per cent shareholding in Kicat & Aitken, the London stockbroking firm.

immediate benefits arising from their complementary financial services activities. Charterhouse owns a merchant bank, Charterhouse Japhet, which belongs to the influential Accepting Houses Committee. It also owns a development capital business invested primarily in the UK, the U.S., Canada and France, and a growing consumer credit company.

RIT and Northern owns a 50 per cent interest in the U.S. investment banking firm L. P. Rothschild, Unterberg Towbin, and a 29.9 per cent stake in the London stockbrokers Kicat and Aitken. It also has interests in a life assurance company, leasing and factoring operations and an expanding investment management business.

Both sides emphasised the importance of establishing a group with a substantial capital base "and the ability to compete effectively in the increasingly integrated and capital-intensive fields of financial services."

Charterhouse J. Rothschild intends to exploit the changes that are coming in the London capital market.

Jacob Rothschild feature, Page 14;

Lex, Page 16; Details, Page 24

rent value on the London stock market. On that basis, Charterhouse will end up with 44 per cent of the enlarged equity, while RIT and Northern will hold the balance.

On the London stock market, shares of RIT and Northern rose 33p to 236p, valuing the group at £220m, while shares in Charterhouse rose 13p to 107p, valuing the company at £176m.

Both groups said that they saw

immediate benefits arising from their complementary financial services activities. Charterhouse owns a merchant bank, Charterhouse Japhet, which belongs to the influential Accepting Houses Committee. It also owns a development capital business invested primarily in the UK, the U.S., Canada and France, and a growing consumer credit company.

RIT and Northern owns a 50 per cent interest in the U.S. investment banking firm L. P. Rothschild, Unterberg Towbin, and a 29.9 per cent stake in the London stockbrokers Kicat and Aitken. It also has interests in a life assurance company, leasing and factoring operations and an expanding investment management business.

Both sides emphasised the importance of establishing a group with a substantial capital base "and the ability to compete effectively in the increasingly integrated and capital-intensive fields of financial services."

Charterhouse J. Rothschild intends to exploit the changes that are coming in the London capital market.

Jacob Rothschild feature, Page 14;

Lex, Page 16; Details, Page 24

Financial activities of combined Chapterhouse Group

Merchant Banking: Charterhouse Japhet; investment banking and broking: Charterhouse Japhet; asset management: Charterhouse Japhet; investment management: Rothschild Investment Management Corp., Global Asset Management (part of RIT and Northern); unit trust management: Target Trust Managers, Bellapogues (part of RIT and Northern); asset broking: Auri (part of RIT and Northern); factoring: Anglo Factoring (part of RIT and Northern); development: Charterhouse Development Corporation US; Charterhouse has substantial industrial interests while RIT and Northern holds an important 29.9 per cent shareholding in Kicat & Aitken, the London stockbroking firm.

immediate benefits arising from their complementary financial services activities. Charterhouse owns a merchant bank, Charterhouse Japhet, which belongs to the influential Accepting Houses Committee. It also owns a development capital business invested primarily in the UK, the U.S., Canada and France, and a growing consumer credit company.

RIT and Northern owns a 50 per cent interest in the U.S. investment banking firm L. P. Rothschild, Unterberg Towbin, and a 29.9 per cent stake in the London stockbrokers Kicat and Aitken. It also has interests in a life assurance company, leasing and factoring operations and an expanding investment management business.

Both sides emphasised the importance of establishing a group with a substantial capital base "and the ability to compete effectively in the increasingly integrated and capital-intensive fields of financial services."

Charterhouse J. Rothschild intends to exploit the changes that are coming in the London capital market.

Jacob Rothschild feature, Page 14;

Lex, Page 16; Details, Page 24

immediate benefits arising from their complementary financial services activities. Charterhouse owns a merchant bank, Charterhouse Japhet, which belongs to the influential Accepting Houses Committee. It also owns a development capital business invested primarily in the UK, the U.S., Canada and France, and a growing consumer credit company.

RIT and Northern owns a 50 per cent interest in the U.S. investment banking firm L. P. Rothschild, Unterberg Towbin, and a 29.9 per cent stake in the London stockbrokers Kicat and Aitken. It also has interests in a life assurance company, leasing and factoring operations and an expanding investment management business.

Both sides emphasised the importance of establishing a group with a substantial capital base "and the ability to compete effectively in the increasingly integrated and capital-intensive fields of financial services."

Charterhouse J. Rothschild intends to exploit the changes that are coming in the London capital market.

Jacob Rothschild feature, Page 14;

Lex, Page 16; Details, Page 24

immediate benefits arising from their complementary financial services activities. Charterhouse owns a merchant bank, Charterhouse Japhet, which belongs to the influential Accepting Houses Committee. It also owns a development capital business invested primarily in the UK, the U.S., Canada and France, and a growing consumer credit company.

RIT and Northern owns a 50 per cent interest in the U.S. investment banking firm L. P. Rothschild, Unterberg Towbin, and a 29.9 per cent stake in the London stockbrokers Kicat and Aitken. It also has interests in a life assurance company, leasing and factoring operations and an expanding investment management business.

Both sides emphasised the importance of establishing a group with a substantial capital base "and the ability to compete effectively in the increasingly integrated and capital-intensive fields of financial services."

Charterhouse J. Rothschild intends to exploit the changes that are coming in the London capital market.

Jacob Rothschild feature, Page 14;

Lex, Page 16; Details, Page 24

immediate benefits arising from their complementary financial services activities. Charterhouse owns a merchant bank, Charterhouse Japhet, which belongs to the influential Accepting Houses Committee. It also owns a development capital business invested primarily in the UK, the U.S., Canada and France, and a growing consumer credit company.

RIT and Northern owns a 50 per cent interest in the U.S. investment banking firm L. P. Rothschild, Unterberg Towbin, and a 29.9 per cent stake in the London stockbrokers Kicat and Aitken. It also has interests in a life assurance company, leasing and factoring operations and an expanding investment management business.

Both sides emphasised the importance of establishing a group with a substantial capital base "and the ability to compete effectively in the increasingly integrated and capital-intensive fields of financial services."

Charterhouse J. Rothschild intends to exploit the changes that are coming in the London capital market.

Jacob Rothschild feature, Page 14;

Lex, Page 16; Details, Page 24

immediate benefits arising from their complementary financial services activities. Charterhouse owns a merchant bank, Charterhouse Japhet, which belongs to the influential Accepting Houses Committee. It also owns a development capital business invested primarily in the UK, the U.S., Canada and France, and a growing consumer credit company.

RIT and Northern owns a 50 per cent interest in the U.S. investment banking firm L. P. Rothschild, Unterberg Towbin, and a 29.9 per cent stake in the London stockbrokers Kicat and Aitken. It also has interests in a life assurance company, leasing and factoring operations and an expanding investment management business.

Both sides emphasised the importance of establishing a group with a substantial capital base "and the ability to compete effectively in the increasingly integrated and capital-intensive fields of financial services."

Charterhouse J. Rothschild intends to exploit the changes that are coming in the London capital market.

Jacob Rothschild feature, Page 14;

Lex, Page 16; Details, Page 24

immediate benefits arising from their complementary financial services activities. Charterhouse owns a merchant bank, Charterhouse Japhet, which belongs to the influential Accepting Houses Committee. It also owns a development capital business invested primarily in the UK, the U.S., Canada and France, and a growing consumer credit company.

RIT and Northern owns a 50 per cent interest in the U.S. investment banking firm L. P. Rothschild, Unterberg Towbin, and a 29.9 per cent stake in the London stockbrokers Kicat and Aitken. It also has interests in a life assurance company, leasing and factoring operations and an expanding investment management business.

Both sides emphasised the importance of establishing a group with a substantial capital base "and the ability to compete effectively in the increasingly integrated and capital-intensive fields of financial services."

Charterhouse J. Rothschild intends to exploit the changes that are coming in the London capital market.

Jacob Rothschild feature, Page 14;

Lex, Page 16; Details, Page 24

immediate benefits arising from their complementary financial services activities. Charterhouse owns a merchant bank, Charterhouse Japhet, which belongs to the influential Accepting Houses Committee. It also owns a development capital business invested primarily in the UK, the U.S., Canada and France, and a growing consumer credit company.

RIT and Northern owns a 50 per cent interest in the U.S. investment banking firm L. P. Rothschild, Unterberg Towbin, and a 29.9 per cent stake in the London stockbrokers Kicat and Aitken. It also has interests in a life assurance company, leasing and factoring operations and an expanding investment management business.

Both sides emphasised the importance of establishing a group with a substantial capital base "and the ability to compete effectively in the increasingly integrated and capital-intensive fields

## EUROPEAN NEWS

## Acid rain threatens coal use, warns IEA

By Paul Bets in Paris

THE ROLE of coal as a substitute for oil could be seriously undermined unless governments start investing in research and technologies to overcome the growing problem of acid rain pollution, according to Dr Eric Willis, the director of research and development of the International Energy Agency.

An IEA study released yesterday on energy research spending by the main Western industrialised countries showed that government expenditure on coal development last year fell significantly compared with 1981.

Despite the improved longer term energy demand outlook, said Dr Willis, governments should step up basic research on acid rain pollution.

Although the debate about this form of pollution has been increasing, especially in West Germany, many industrialised governments have yet to wake up to the problem, he claimed.

Unless, however, the public image of coal could suffer in the same way as that of nuclear energy, he said.

While spending in coal development declined last year, research and development expenditures for conventional and advanced nuclear technology continued to increase. Indeed, the study shows that IEA countries spent nearly two-thirds of their total \$7.17bn in energy research and development budget on it.

Dr Willis said a large portion of this spending was directed to research on safety of reactors and on waste disposal.

The IEA study shows that overall government research and development spending started to decline in 1981 reversing the upward trend that followed the 1973/74 oil crisis. Budgets were 8 per cent lower in total, due to a 24 per cent drop in the U.S. allocation. Excluding the U.S. spending rose a modest 4.1 per cent.

## Lisbon approves private banking and insurance

By Our Lisbon Correspondent

THE Portuguese Government headed by Dr Mario Soares yesterday approved the re-opening of the banking, insurance, cement and fertiliser sectors to private capital eight years after they were nationalised.

The Cabinet approved two draft decree laws which will regulate access to banking and insurance by new private concerns.

It is likely that by the beginning of next year the first new banking institutions will be established. Most of the newcomers are expected to be foreign: about half the 22 foreign banks with representative offices in Portugal have signalled their interest in having full branches.

One or two Portuguese groups which had banking interests in the country before the 1975 revolution that led to nationalisation, are known to be contemplating a return to the banking scene.

## W. German surplus

West Germany's capital account swung into a DM 39m (£9.8m) surplus in September from a revised deficit of DM 236m in August, according to balance of payments figures released yesterday by Deutsche Bundesbank. AP-DJ reports from Frankfurt. The September surplus compares with a deficit of DM 1.45bn in September a year ago.

## Military keep hold of the reins in Turkey's three-horse race

Sunday's election is a landmark despite its peculiarities, writes David Tonge

GENERAL'S general elections have their peculiarities. Martial law, Press censorship, and a circumscribed choice of parties and candidates—these make next Sunday's voting in Turkey somewhat different to normal democratic ballots.

Yet the election is a landmark, both because of the tone it will set for the future and because it represents a point of no return for the generals who seized power three years ago.

If all goes well, it will mark the beginning of the return to barracks of the second largest ground forces in NATO. It will also lead to a rebuilding of the strained links between Turkey and half of Europe and open the way to the unblocking of 600m of EEC funds. It will be followed by the more taxing prospect of a Turkish application for full membership of the Community.

But all that is some way down the road. Both the election itself and the situation facing the next government show that the Turkish military has no intention of allowing the civilians to run the country as they see fit. To this extent, the coup of September 1980 marks a significant change from the military's previous interventions in 1960 and 1971, when they acted, made their points and bowed out.

The election is notable for the absence of the country's best-known politicians, Mr Suleyman Demirel and Mr Bülent Ecevit. These were the last two prime ministers before

## U.S. reply to Soviet missiles offer due soon

By BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE UNITED STATES is expected shortly to table more detailed proposals at the Geneva talks to limit nuclear weapons in Europe. These will indicate that the differences between the superpowers in two key areas have narrowed substantially.

They will be presented as a constructive response to the proposals put forward by President Yuri Andropov last week.

Western arms control officials say they will show that there could be room for agreement between the two sides on limiting nuclear-capable aircraft in Europe, as well as on limiting land-based weapons like the Soviet SS-20 missiles in both Europe and the Far East.

The officials are at pains to point out, however, that the narrowing of differences on what they describe as important, but still marginal, issues does not mean that overall agreement is likely before new U.S. cruise and Pershing 2 missiles start to be deployed in Europe in the next few weeks.

On the most central issue of all—the creation of a superpower balance in medium-range missiles in Europe—Moscow and Washington remain as far apart as ever.

The apparent Soviet concessions offered in the past few weeks have all been conditional upon there being no new deployment of U.S. missiles in Europe to match the Soviet SS-20s. The U.S. and its Nato allies continue to reject the Soviet contention that the SS-20s are already balanced by the independent British and

## Plan for rescue of Portugal's railways

By Diana Smith in Lisbon

PORTUGAL'S HEAVILY indebted railways are putting a rescue plan to the Government that calls for closure of 200 stations and investments of Esc 42bn (£224m) over the next five years.

Accumulated losses total Esc 60bn and the company reckons that they could rise to Esc 105bn by 1988 unless productivity is increased and services pared.

The new proposals are expected to take the form of an elaboration in "treaty language" of Washington's offer of last September. These proposed what Nato described then as important concessions on aircraft and on limiting missiles.

Western officials say that Moscow has now narrowed the range of aircraft it wants included so the question need not be a sticking point in a future agreement. They also say that Moscow has moved a considerable way towards accepting a freeze on its SS-20s stationed in the Soviet Far East, thus opening the way to the possibility of meaningful negotiations on global limits for all medium-range land-based missiles.

However, the officials say that the central element in Mr Andropov's proposal last week—an offer to limit the number of SS-20s in Europe to 140—remains quite unacceptable since the figure continues to be linked to British and French nuclear forces.

Almost a third of provincial services on the least profitable lines will be reduced and local authorities will be asked to contribute to the cost of maintaining some less-making lines.

The railways carry more than 260m passengers a year. Over two-thirds of traffic is carried on 45 per cent of the lines. Millions of cheap fares and an inexcusable amount of free travel have compounded chronic over-manning and uncompetitive freight charges that discourage business from using the railways more.

THE SPANISH Government faces a dilemma over whether to close one of the main shipyards at Bilbao, in the heart of the troubled and industrially depressed Basque country. Closure of the old Olazagutia yard and another at El Ferrol in Galicia is foreseen in proposals made this week by INI, the state holding company which groups the country's large shipyards.

The proposals involve cutting 10,500 of the 22,000 jobs at the main state shipyards in order

## Madrid faces political dilemma over future of Bilbao shipyard

By DAVID WHITE IN MADRID

THE SPANISH Government faces a dilemma over whether to close one of the main shipyards at Bilbao, in the heart of the troubled and industrially depressed Basque country. Closure of the old Olazagutia yard and another at El Ferrol in Galicia is foreseen in proposals made this week by INI, the state holding company which groups the country's large shipyards.

The proposals involve cutting 10,500 of the 22,000 jobs at the main state shipyards in order

to pull them out of the red in three big shipyards—Cádiz, the largest and most modern facility, Seville, and Bilbao's Sestao yard—and are geared to production expectations of 250,000 compensated gross registered tonnes in 1986.

The Government called for the proposals as the basis of a long overdue reconversion of the sector, in which Spain becomes one of the world leaders just before the 1974 oil crisis.

They propose to leave only

1,500 jobs at each of the three shipyards as part of the job loss could be offset by early retirement and by alternative activities. It also controls five of the 35 small shipbuilders with a third of the sector's production capacity, but has rejected the idea of "taking over more corps."

The roughly 350 Ertz members in Spanish prisons are being transferred to a top-security jail at Herrera de Manta, south of Madrid.

The legislation, which is being pushed through by special procedure, has been fully backed by the main right-wing opposition party, Alianza Popular.

If current legislation was in-

## Warsaw signs debt agreement with banks

By John Davies in Frankfurt

POLISH authorities and representatives of Western banks signed agreements in Luxembourg yesterday on rescheduling Poland's commercial debt due this year.

Fourteen large Western banks signed yesterday and the rest of the 500 creditor banks are due to do so in the next few days. A representative of the Finance Ministry and the head and deputy head of Bank Handlowy, the foreign trade bank, signed for Poland.

Under the arrangements, 95 per cent of about \$1.1bn of principal payments due this year will be rescheduled over 10 years, including a five-year grace period without repayments. The remaining 5 per cent is to be paid next January 16.

Interest payments for this year are to be paid on November 10 and 30 and December 15 and 31.

The creditor banks are also granting Poland \$200m of new short-term revolving trade credit during a five-year period.

Both sides expressed confidence that these arrangements would favourably influence an agreement in principle soon on the handling of all other commercial credits not yet rescheduled.

## Group of 10 to meet on IMF bridging credit

WEST BERLIN—Negotiations on a SDR 3bn (£2.13bn) credit to help the International Monetary Fund bridge part of its 1983 commitment gap will be resumed when the Group of 10 central bankers hold their monthly meeting in Basle on Monday. Herr Karl Otto Poehl, the Bundesbank president, said.

Herr Poehl, who chairs meetings of Group of 10 central bankers, said one condition has been fulfilled for granting of the credit, but other problems make the operation "not easy."

The IMF's commitment gap is expected to grow to about SDR 6bn by the end of 1983. Last summer SDR 3bn was sought from major central banks and a matching sum from Saudi Arabia.

However, central banks, led by resistance from the Bundesbank, have refused to grant the credit until the U.S. Congress sanctions its \$8.4bn contribution to a rise in IMF quotas. Reuter

## Uzbek party leader appointed

By Anthony Robinson

THE Communist Party in the Soviet republic of Uzbekistan has appointed Mr Imanshan Usmankhodzayev (53) to replace Mr Sharaf Rashidov (65) who died last Monday.

It remains to be seen whether he will also assume Mr Rashidov's post as non-voting candidate member of the Soviet parliament in Moscow.

Such a move is likely given the growing Soviet sensitivity about adequate representation of non-Russians in the top leadership and awareness of the growing population and political and religious consciousness of the Muslim republic.

Mr Rashidov, who was appointed to the post in 1961, is fifth member to die or retire over the past two years.

Despite the gaps created in the postburo, which is down to 12 voting and six non-voting members, there have only significant additions, have been the promotion of Mr Gaidar Alyabyev (50), from candidate to full voting membership shortly after Mr Andropov's accession, and that of Mr Vladimir Dolgikh (59) to candidate member status in May last year.

There have been considerable changes in both the government and party posts at an intermediate level since Mr Andropov took over. But the failure to appoint new blood at the top level is a sign of continuing political limits to his freedom of action.

## Irish employers urge tax cuts

By Brendan Keenan in Dublin

THE IRISH Federated Union of Employers yesterday suggested tax cuts in return for pay restraint in the next round of wage bargaining when they met the Prime Minister, Dr Garret Fitzgerald, and senior ministers for talks on the economy.

The meeting was one of a series with business, trade unions, and farming organisations announced by Dr Fitzgerald at his recent party conference. The Government hopes to reach some agreement on how to combat the country's economic problems.

FINANCIAL TIMES, USP, No. 19060, published daily except Sunday, and holidays. \$420.00 per annum. Second class postage paid at New York, N.Y. and at other mailing offices. POSTMASTER, send address changes to FINANCIAL TIMES, 75 Rockefeller Plaza, N.Y., N.Y. 10019.

## EEC agreement sought on research plan

By PAUL CHEESERIGHT IN BRUSSELS

RESEARCH MINISTERS of the EEC make another effort tomorrow to settle the details of an Ecu 1.5bn (£855m) programme intended to enable the Community to catch up with the U.S. and Japanese lead in information technology.

The outcome of their talks will be crucial in determining how far EEC leaders, at their summit in Athens next month, will be able to take the Community into joint action in new fields.

The European Strategic Programme for Research and Development in Information Technologies (ESPRIT) has been given priority by the Ten but

discussions have become bogged down in managerial and administrative detail.

The October 26 meeting of research ministers in Luxembourg broke up inconclusively when interpreters walked out.

Under the plan the EEC will put up Esc 1.5bn over five years to half the cost of research projects by companies and academic institutions in advanced microelectronics, software and advanced information processing. The projects are to be joint ventures linking concerns in different EEC countries.

A pilot programme of 36 projects, chosen from more than 200 applications and costing

Ecu 11.5m was instituted last August. If the broader programme takes off next year it will be a benchmark example of the organisation needed to run EEC private sector projects towards a commonly defined goal.

Since October 26, officials have been preparing the way for tomorrow's meeting in the hope that time will not be wasted on heated and unresolved discussion involving items such as whether the calling of experts to Brussels is part of the staffing budget.

The issues to be discussed include the selection of the ESPRIT work programme, the

conditions under which projects might attract more than 50 per cent financing, the administration of contracts and the nature of the companies winning contracts.

No decision is likely to be taken, however, on the total funding. That will be left to the summit to decide in relation to other EEC financial needs, always assuming the technical details of the programme can be settled.

Diplomats note that the success of the research ministers' meeting could hinge on Friday, which, if October, started making new objections to the programme's organisation.

## Polish butter rationing causes wave of protest

By CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH authorities, who are committed to introducing food price increases early next year, have been sharply reminded of the sensitivity of the food issue by a wave of criticism over the way in which butter rationing was brought in this week.

Yesterday the dispute reached the Council of Ministers which discussed the butter rationing after criticism in the press. Many speakers at a meeting on Wednesday of

the Warsaw district party committee were sharply critical of Mr Zbigniew Lakiński, the minister responsible.

The decision, which came into effect on Wednesday, was announced last Sunday evening. It gave people Monday to stock up before the All-Soul's Eve holiday on Tuesday. Giant queues formed, full of angry people.

The fact that the decision to ration butter came as a surprise has

also angered party officials, who resent being blamed for what they see as errors by the Government administration.

The Interior Trade Ministry has explained that rationing was introduced due to fears that supplies in the winter would fail to meet demand. Yesterday an official at the Cattle Breeders Association tended to confirm this view. He was surprised the move had not been made a month earlier.

Members of the 10,000-strong Consumers' Federation have voted the suspicion that the rationing was introduced to pre-empt panic buying in response to the publication of the proposed new food prices.

Mr Mieczysław Rakowski, a deputy premier, said in a recent speech that two variants of the new prices would be presented for consultation. The Government's prices office said yesterday a brochure on the subject should be ready by the end of next week.

Despite the gaps created in the postburo, which is down to 12 voting and six non-voting members, there have only significant additions, have been the promotion of Mr Gaidar Alyabyev (50), from candidate to full voting membership shortly after Mr Andropov's accession, and that of Mr Vladimir Dolgikh (59) to candidate member status in May last year.

There have been considerable changes in both the government and party posts at an intermediate level since Mr Andropov took over. But the failure to appoint new blood at the top level is a sign of continuing political limits to his freedom of action.

For, however little the three approved parties are able, or wish, to alter the rules of the game, the election does mark an important step towards the introduction of less arbitrary rule in Turkey. Once the new Parliament meets in Ankara later this month, the newly elected National Security Council can be able to govern by decree. From this point on, the inevitable tensions between the politicians who ruled the country before the coup and those who have ruled it since will again begin to be felt.

The economic legacy awaiting the new government is as mixed as the political one. On the positive side, growth has continued and gross national product this year is expected to increase by 3.2 per cent. The external account is under control with reserves expected to increase this year by more than \$100m.

## OVERSEAS NEWS

## Lebanese talks near compromise on troop accord

BY ANTHONY McDERMOTT IN GENEVA

THE Lebanese national reconciliation conference appeared to be moving yesterday towards a compromise over the question of acceptance or rejection of the still unratified troop withdrawal agreement between Lebanon and Israel.

At yesterday morning's official session of the nine members of the committee, the lines were drawn sharply between those on the Christian

MR RICHARD LUCIE, the British Minister of State at the Foreign Office, was prevented yesterday by the Israeli authorities from meeting three Palestinian leaders living in the occupied West Bank.

A British consular spokesman in Jerusalem said that the three men had telephoned to say they had been forbidden to leave their hotel. Mr Lucy said he wanted to meet the three men in order to get a cross-section of views on the Arab-Israel conflict.

Phalangist side—in favour of the agreement being preserved—and the left, represented by Mr Walid Jumblatt, the Druze leader, Mr Nasib Berri, head of the Shias Amal group, and Mr Abet-Hamid Khaddam, Syria's Foreign Minister.

Mr Khaddam is here ostensibly in the role of observer, but with 40,000 Syrian troops has also met Mr Jumblatt.

## 'Twenty die' in fighting at Arafat stronghold

BY OUR MIDDLE EAST STAFF

MR YASSER ARAFAT, chairman of the Palestine Liberation Organisation, made renewed pleas for Arab help yesterday as fierce fighting raged around his remaining stronghold in northern Lebanon.

The fighting broke out at dawn and quickly spilled over into the port of Tripoli. Palestinian forces loyal to Mr Arafat have been under increasing military pressure from Syrian-backed dissidents who appear determined to replace him.

At least 20 people were reported to have died in yesterday's fighting and two oil storage tanks were set ablaze close to the Baddawi refugee camp where Mr Arafat has his headquarters.

Before going off the air, Mr Arafat's radio station appealed for Arab help to prevent "a fresh massacre." It said that Syrian and Libyan forces had launched an all-out attack on the camp. Heavy artillery fire was reported from the area.

Other reports from Tripoli suggested that another attack

was concentrated on Nahr al-Bared, nine miles from Tripoli.

Dissident Palestinians said in Damascus that Mr Arafat's pleas for help would not meet with any response. "The Palestinian people have decided to punish him for the harm he has done to the revolution and for the corruption of his leadership," said a spokesman.

Mr Ruth Evans writes from Dakar. The continuity of Mr Arafat's chairmanship of the PLO was also a Gulf Minister said. Mr Issa Kawi, the Qatari Information Minister, said Mr Arafat was "a catalyst" and a "moderate."

"The fact that he is a moderate is important. If the other extremists get hold of the leadership, then the situation in the Middle East will become more difficult and complicated." His comments are the first from a Gulf official since the revolt against the PLO chairman began earlier this year. The Qatari Minister will be the official spokesman of the Gulf summit on Monday.

## Philippines resumes inquiry into death of Aquino

BY EMILIA TAGAZA IN MANILA

THE new body constituted to investigate the assassination on August 21 of Mr Benigno Aquino, the Filipino opposition leader, yesterday began its task amid pressure from the U.S. Congress for speedy, thorough and impartial investigation.

The five-man board opened the inquiry by asking the mother and sister of the alleged assassin to identify his body publicly.

The first hearing failed to allay public anxiety that the board may be unable to proceed smoothly with its work. The head of the inquiry, Mrs Corazon Aquino, a retired justice, has admitted that the group was finding problems in hiring personnel. She said that several people had been approached for key positions, but "most of them declined for

## Zambia appoints new Finance Minister

MR LUKE MWANANSHIKU has been appointed Finance Minister in President Kenneth Kaunda's new Zambian Cabinet. Reuter reports from Lusaka.

Mr Mwananshiku, who was Finance Minister in the mid-1970s and is a former central bank governor, takes over from Prime Minister Nalumino Mundia, who had been running the Ministry since the beginning of the year.

The portfolio has special importance in Zambia's fight against external debt brought about by its dependence on foreign earnings from a struggling copper mining industry.

The President said yesterday that his Government would make national economic recovery its main aim. "The new Cabinet has a chance to do that now," he said.

### Rail strike

ZAMBIAN RAIL workers have gone on strike over wages, disrupting transport between the country's economically important copper mines and the southern border city of Livingstone, Reuter reports from Lusaka. The affected line forms part of Zambia's southern export route which has recently carried about half of the country's monthly copper consignments of 50,000 tonnes.

### Muzorewa move

ZIMBABWE Prime Minister Robert Mugabe yesterday defended the security police's detention of Bishop Abel Muzorewa, Reuter reports from Harare. He accused the Bishop of associating with "our opponents and enemies," an evident reference to Israel and South Africa, and of help to destabilise Zimbabwe. Meanwhile, a chanting crowd of government supporters marched through central Harare yesterday demanding death for Bishop Muzorewa, who was detained on Monday.

Mr Ruth Evans writes from Dakar.

EIGHTY PER CENT of Israelis believe their government has lost control of the inflation-plagued economy, Reuter reports from Tel Aviv. A public opinion poll published by the newspaper Haaretz showed that of 1,200 polled only 12 per cent believed the Government would bring the economy under control. Eight per cent expressed no opinion.

### Indian crude output

INDIA'S state-owned Oil and Natural Gas Commission has said its offshore and onshore fields produced 10.9m tonnes of crude oil in the first six months of the year beginning April 1, up 30 per cent from the period in the last fiscal year. Reuter reports from New Delhi that the commission, one of two state oil production companies, said that it expected to achieve its 1983-84 output target of 22.6m tonnes.

### Australia pledge

AUSTRALIA WILL be kept more fully informed of operations at the secret U.S. naval communications base at North West Cape in Western Australia, the Defence Minister told Parliament in Canberra yesterday. Michael Thompson-Noel reports from Sydney that Defence Minister Gordon Scholes defended U.S. installations such as North West Cape, Pine Gap and Narrangar as contributions to nuclear deterrence. The Australian defence budget is A\$5.3bn (£3.2bn), an increase on the previous year of 4 per cent in real terms.

The other members of the board are a corporate lawyer, a trade union adviser, a law teacher, and a private businessman, most of whom are relatively unknown.

The first commission, set up by President Ferdinand Marcos, was headed by the Supreme Court chief, Mr Enrique Fernando, and composed of four other retired justices.

## Gandhi 'forcing Hindus to sin'

BY K. K. SHARMA IN NEW DELHI

PRIME MINISTER Indira Gandhi's ruling Congress (I) Party is preparing to meet a challenge from the opposition on an issue that has aroused intense feelings among India's 500m-strong electorate: the import of beef and mutton tallow by the country's cooking-fat industry.

The issue would be of little or no importance in almost any other country, but in India, it has caused widespread anger. Hindus, who comprise nearly 80 per cent of the nation's 700m people, never eat beef or beef products because they consider the cow family sacred.

The opposition has launched a bitter protest campaign accusing Mrs Gandhi's Government with permitting the hydrogenated oil industry, which manufactures the most widely used cooking-fat in the country, to import beef and mutton tallow.

The opposition claims that analysis of many samples has proved that the most popular cooking oil has been adulterated with tallow. The implication

is that the Government has knowingly allowed the industry to "perpetrate the most outrageous act of defilement" by forcing Hindus, whose religion bans them from eating any kind of beef, to commit an unthinkable sin.

The immediate impact of the opposition's accusations has been a mass boycott of hydrogenated oil (known as Vanaspati), about 1m tonnes of which is produced each year. Huge inventories have built up as Hindus turn to other cooking oils such as vegetable and clarified butter products.

Party leaders are sufficiently worried to have already suggested to Mrs Gandhi that she should not consider early elections.

There has been widespread speculation that she will call early general elections, possibly for March or April rather than wait until they are due in December, to take advantage of the improvement in the economy and the current disunity among opposition parties.

Mrs Gandhi lost the 1977 election largely because of widespread anger over the birth control programme involving compulsory sterilisation launched by her late son, Sanjay, during her rule under emergency powers.

Bernard Simon in Johannesburg on the doubts and dreams of a business community

## Living in the long shadow of Ciskei

MANY of the bad dreams of South African businessmen are coming true in the Eastern Cape city of East London.

The business community has itself caught in the murky politics of neighbouring Ciskei, one of South Africa's "independent" tribal homelands.

But the area has had more than its fair share of troubles. It is a stronghold of the South African Allied Workers Union (SAAWU), one of the country's most radical black trade unions, which was involved in the recognition dispute with Wilson Rowntree last year. The South African Government has "resettled" thousands of blacks on East London's doorstep, giving the area the highest unemployment rate in the country.

To make matters worse, harbour activity has been slowed drastically by the suspension of maize exports earlier this year as a result of the drought.

A spark was put to these volatile ingredients last July when a Ciskei-owned bus company increased fares for commuters between the black township of Mdantsane and East London.

Mdantsane is the second biggest black residential area in South Africa after Johannesburg's Soweto. Although it is on the outskirts of East London, it is part of Ciskei, and its residents are thus regarded as foreigners by the South African government.

Tensions have been raised further by internal political squabbles in Ciskei. The terri-



tor's "President" Mr Lennox Sebe has detained several former government officials, including his two step-brothers.

Commuters have boycotted the bus service since July, despite a reduction in fares when fuel prices were lowered. Most now take the train to work, but have to walk several miles at both ends of their journey.

David Saunders, president of the local Chamber of Industries and managing director of a battery manufacturing company, says that "you notice that at 2.30 or 3 in the afternoon, the workers are starting to slack off. They're tired."

The bus boycott is only the

tip of the iceberg. The Ciskei authorities have begun a reign of terror in Mdantsane in an effort to get workers back on the buses and to crush political opponents. A civil rights researcher estimated that about 100 people have died in the violence.

There is a night curfew in Mdantsane and shift workers need special night passes but stories abound of Mr Sebe's illiterate vigilantes beating even those with the necessary documents.

SAAWU, which is recognised by three companies in East London, has been banned and its leaders have either been detained or are in hiding.

The Chamber of Industries has protested strongly to both the South African and the Ciskeian authorities, but to little avail. The South African Minister of Manpower visited East London three weeks ago, but the South Africans say they can do nothing about events in Ciskei which, in Pretoria's eyes, is an independent country. The only communication that East London's businessmen have had from Ciskei is an invitation to the opening of an electronics training college.

Businessmen and workers give some bouquets to the South African Railways. Temporary platforms have been built as close as possible to one industrial area, and trains stop along the line to pick up passengers who fear being beaten at the station.

One businessman says that

the South African security police are keeping a lower profile than during earlier bouts of labour and political upheaval. None the less, a senior industrial relations executive at one multinationals is said to have been questioned several times, and the South Africans almost certainly support Ciskei's action against SAAWU.

Temps are beginning to fray. Despite some sympathy for the workers' plight, companies insist that their employees work normal hours. Managers say they do not have the resources to set up an alternative bus service.

No one knows how the present situation will be resolved. Businessmen hope that South Africa will put pressure on Ciskei to restore calm to Mdantsane. But Mrs Rosalie Evans, director of the South African Institute of Race Relations in East London, fears that "it's going to get worse, because at some stage the black man is going to say, 'I can't take any more.'

## China accuses Moscow of using Vietnam 'as weapon'

BY MARK BAKER IN PEKING

CHINA has accused the Soviet Union of using Vietnam as a weapon against it and of threatening the security of all countries in the Asian and Pacific region, but also to the international sea lanes.

"Vietnam is now a knife the Soviet Union has placed in the back of China," says a commentary published yesterday by the Xinhua Chinese news agency, Xinhua.

It says Soviet military bases in Vietnam and the military

view that the talks failed to make significant headway and that China has been angered by Moscow's refusal to make concessions on its military support for Vietnam, particularly in the occupation of Kampuchea.

Xinhua ridicules the Soviet argument that Vietnam and Kampuchea cannot be discussed in the talks.

"The Soviet military alliance has brought to light the true nature of the Soviet argument

of 'no harm to a third country' and exposed the hypocrisy of such rhetoric," it says.

FACTS show that Soviet hegemonism and Vietnamese regional hegemonism linked together by a military treaty have constituted a serious threat to the peace and security in South-East Asia and a source of turbulence and tension in the region.

The commentary, timed to mark the anniversary of the

signing of the friendship treaty between the Soviet Union and Vietnam on November 3 1978, says Moscow has used Vietnam to make "provocations and create bloody incidents" along their border.

The attack on the Soviet Union reinforces the view of diplomats in Peking that there is unlikely to be a significant improvement in relations between the two countries in the foreseeable future.

## When a company calls Daewoo, there are 70,000 reasons why.



Get to know the people at Daewoo, and you'll see the reasons more and more companies are calling the company few had even heard of.

You'll see the exceptional dedication and energy that's brought Daewoo over \$3 billion in sales in just 16 years.

You'll also discover the talent and innovation that have allowed us to expand into dozens of new fields, making Daewoo one of the largest, most diverse multinational companies in the world. From shipbuilding to textiles, our global operations are growing more successful each year.

And you'll find insight and foresight, two more reasons our well-trained people have been able to earn and keep the trust of an impressive list of prominent companies. The kind that demand a lot from their partners.

The fact is, people are Daewoo's greatest resource. So the next time you need good partners, no matter what your project or problem, look for good people.

There are 70,000 of them at Daewoo.

DAEWOO

BECAUSE GOOD PEOPLE MAKE GOOD PARTNERS.

C.P.O. BOX 2810, 8269 SEOUL, KOREA

Tlx: DAEWOO K23341-S

## AMERICAN NEWS

## Components plant dispute threatens Chrysler recovery

By TERRY DODSWORTH IN NEW YORK

CHRYSLER U.S.'s accelerating recovery is under serious threat of coming to a complete halt as a result of a strike at one of its main component plants.

The dispute in the group's Twinsburg, Ohio, stamping facility has already led to the closure of four of Chrysler's eight assembly units, and could well force a shut-down of the rest over the weekend.

Chrysler would not say yesterday how many cars had been lost so far. But unofficial estimates suggest that output is now running at about half the normal weekly rate of 25,000 vehicles.

The dispute follows the signing of a new company wage agreement with United Auto Workers union in September, aimed at restoring some of the differential in incomes between workers at Chrysler and the other big U.S. car companies.

While this deal had been accepted by the local negotiators

at Twinsburg, they are unhappy with working conditions in the plant.

In separate talks with the management, union representatives for the 3,200 workers have filed a list of 50 complaints, many of them directed at long working hours and the amount of working flexibility demanded on the production lines.

The effects of the dispute have spread so rapidly partly because of the type of products—mainly door, underbody and roof stampings—made at Twinsburg.

But these effects have been exacerbated by Chrysler's new policy of carrying only minimal stock.

This method, borrowed from the Japanese car manufacturers and introduced with dramatic effects to reduce cash requirements during the financial crisis of the past three years, also means that it has become particularly vulnerable to supply constraints in key components.

## Greyhound buses idle as workers fight pay plan

By WILLIAM HALL IN NEW YORK

AMERICA'S 4,800 Greyhound buses, which carry 60 per cent of the country's long distance bus travellers, were lying idle in their depots yesterday as the company's 12,700 workers went on strike, protesting against management plans to cut their wages.

Greyhound buses, which have traditionally offered low-cost travel to millions of less-well-off Americans who could not afford air fares, have been caught out by the deregulation of much of the U.S. transport industry. This has encouraged the entry of several low-cost companies to compete with Greyhound. Its workers are paid roughly 25 per cent more than the competition, according to the management.

In an effort to improve its competitiveness, the bus line which carries some 57m passengers a year, has proposed cutting wages and benefits of

its workforce.

Mr John Teets, Greyhound's chairman, has been anxious to "correct the widespread mis-information" which he claims has been disseminated by union officials that his company is proposing to cut wages by 30-50 per cent.

Greyhound has proposed to its workers a new contract of which the two most important provisions are: a 9.5 per cent salary cut for all employees, and a contribution to the pension programme of 5 per cent for current employees.

The company claims that even after the wage cuts, Greyhound workers will still be the best-paid in the industry. But the proposed new contract does not achieve parity with other bus competitors.

Greyhound is instituting a two-tier salary structure, with new employees to the company being paid at comparable rates to its competitors' workforces. AP-DJ reports from Rome.

## Deceptive advertising, hearings planned

By Nancy Dunne in Washington

CONGRESSIONAL critics of the Federal Trade Commission (FTC) are planning a series of hearings to focus on the commission's interpretation of deceptive advertising practices.

Feuding between Mr John Dingell, chairman of the House Committee on Energy and Commerce, and the FTC has been going on for months.

Last summer, the House committee refused to consider legislative proposals made by Mr James Miller (FTC chairman) which would cut the commission's role in FTC consumer protection.

Under the commission's new interpretation, advertising is deceptive if "there is misrepresentation, omission or other practices that mislead the consumer, acting reasonably in the circumstances, to the consumer's detriment."

Under previous Administrations, the FTC set a simple rule for advertising claims—they must rest on proof.

Chairman Miller and the Reagan Administration believe the Government should let the market decide about products and not go to vast lengths to protect unsophisticated or uninformed consumers.

Writing a dissent to the decision, commissioner Michael Pertschuk, a former chairman, said the new policy "cuts back" on the commission's authority to protect consumers.

"While this must be a limit on our ability to guard against every possible wrong interpretation of an advertising claim... there is a marginal segment of commercial life... which exists only because there are unsophisticated consumers."

"To introduce into the law the idea that the trusting don't deserve protection is 'deregulation' in its most reckless and pointless form."

### IDB meets on new Latin America unit

Representatives of member-countries of the Inter-American Development Bank (IDB) began a two-day meeting in Rome yesterday, to discuss the establishment of an Inter-American Investment Corporation (IIC), which would finance productive enterprises in Latin America. AP-DJ reports from Rome.

## Radicals meet bankers on Argentine debts

By ROBERT GRAHAM AND JIMMY BURNS IN BUENOS AIRES

INFORMAL CONTACTS have begun between members of Argentina's future Radical administration and the Argentine Central Bank on handling the immediate issues concerning the country's \$30bn (£26bn) foreign debt.

According to highly-placed bankers, the conversations have centred on the signature of 30 outstanding public sector debt rescheduling contracts involving over \$6bn.

Feuding between Mr John Dingell, chairman of the House Committee on Energy and Commerce, and the FTC has been going on for months.

Last summer, the House committee refused to consider legislative proposals made by Mr James Miller (FTC chairman) which would cut the commission's role in FTC consumer protection.

Under the commission's new interpretation, advertising is deceptive if "there is misrepresentation, omission or other practices that mislead the consumer, acting reasonably in the circumstances, to the consumer's detriment."

Under previous Administrations, the FTC set a simple rule for advertising claims—they must rest on proof.

Chairman Miller and the Reagan Administration believe the Government should let the market decide about products and not go to vast lengths to protect unsophisticated or uninformed consumers.

Writing a dissent to the decision, commissioner Michael Pertschuk, a former chairman, said the new policy "cuts back" on the commission's authority to protect consumers.

"While this must be a limit on our ability to guard against every possible wrong interpretation of an advertising claim... there is a marginal segment of commercial life... which exists only because there are unsophisticated consumers."

"To introduce into the law the idea that the trusting don't deserve protection is 'deregulation' in its most reckless and pointless form."

### IDB meets on new Latin America unit

Representatives of member-countries of the Inter-American Development Bank (IDB) began a two-day meeting in Rome yesterday, to discuss the establishment of an Inter-American Investment Corporation (IIC), which would finance productive enterprises in Latin America. AP-DJ reports from Rome.

Gonzales del Solar, governor of the central bank, was briefly imprisoned by a Patagonian judge on the grounds that certain clauses in the rescheduling contract infringed national sovereignty. The judge's action was subsequently overruled by a higher court.

So far only one of the public sector rescheduling contracts, that of Aerolineas Argentinas, has been signed.

However, the outgoing banking authorities are confident that no major hurdles stand in the way of signing the remainder by December 15.

This is the new deadline set by the international bank for repayment of \$30bn due on a \$1.1bn loan to Argentina earlier in the year. It also needs the funds to bring up to date payments on arrears which stopped in the first week of October.

Drawing of this tranche has been twice postponed due to a series of technical and legal difficulties.

A month ago, Sr Julio Cesar

further negotiations until after the elections.

At least two of the contracts, those of the utility Agua y Energia, and a Republic of Argentina loan, are far advanced.

The Radicals would prefer to have all contracts out of the way before taking office and in this spirit, the contracts with the central bank have been held.

But because of the sensitivity of the debt question, the Radicals are unlikely to give formal endorsement to the rescheduling contracts—merely a "nod and a wink."

The incoming administration is acutely aware of the need to gain the confidence of the international banking community as quickly as possible.

By next week, contracts are expected to be established with the International Monetary Fund, and it is likely that a fund mission will visit Buenos Aires either just before or after the new administration takes office.

Radical Party economists say that the Government's economic programme has to be worked out if not with direct IMF co-



Sr. Raúl Alfonsín

operation, at least along lines that the fund would endorse.

At present, leading Argentine bankers say the country is meeting all the fund's targets, except for payment of arrears.

The central bank has declined to reveal the current state of reserves, which have been badly depleted in the past few months due to flight of capital.

Foreign currency reserves, according to foreign bankers, could be no more than \$250m. However, the country is still believed to possess around \$2bn-worth of gold holdings valued at market price.

The leading Radical economist expected to hold office in the new government, Sr. Bernardo Grinspun, said Argentina would be seeking easier terms when the broader issue of re-negotiating the country's debt was raised in the new year.

Falling due next year are \$10bn of payments, of which \$5bn is interest. The Radical government, he said, would be seeking a longer period of grace in re-scheduling existing debt

and softer terms for fresh money.

On present projections, the country will need about \$1bn of fresh money on the basis of a \$2bn trade surplus.

Nancy Dunne in Washington looks at the legacy of the departing Interior Secretary

## Why Watt incurred the wrath of U.S. environmentalists

Mr James Watt, the departing U.S. Secretary of the Interior, liked to tell audiences that his shiny pat, thick glasses and big grin had "launched a thousand cartoons."

But behind the self-deprecating jokes was a man grimly intent on reversing two decades of policy-making in which regulations designed to protect the environment had come to control the disposition of government-owned lands.

Mr Watt believed that excessive rule-making has hindered necessary commercial, mineral and energy development of U.S. resources. It was a course that he and President Reagan were determined to change.

Whether Mr Watt's successor, Mr William Clark, the President's friend and former National Security Adviser, will pursue his policies is not yet clear. At his Senate confirmation hearings this week, he pledged to "bring a proper balance" to the management of America's resources.

But many conservationists are opposing his nomination because they say, as a California state judge, he consistently favoured developmental interests over environmental ones.

If left unchecked by congress and the courts, the U.S. Secretary of the Interior has enormous power. He administers 750m acres of federal lands—one-third of the entire country—including 75m acres of national parks, 84m acres of wildlife refuges, 190m acres of national forests and 200m acres of wilderness.

The land contains vast supplies of mineral wealth as well as a possible 85 per cent of the crude oil yet to be exploited, 40 per cent of the natural gas, 35 per cent of the coal, 80 per cent of the oil shale, tar sands, uranium and previous water supplies needed by farmers, ranchers and fishermen.

With great chunks of America's land spoiled by unplanned commercial development of the past, waterways in ruin and wildlife gone or disappearing, the environmental movement has succeeded over the past decade in mobilising public opinion to the view that further use of U.S. land should be carefully controlled.



It was inevitable that it could clash head-on with Mr. Watt, bent on developing federal resources and philosophically opposed to government planning. The two sides warred constantly with inflammatory rhetoric and vituperative

criticism—and Mr. Watt's gaffes often obscuring the far-flung changes underway in the interior.

While declaring that development was going on in a "wise and balanced" manner, Mr. Watt was reversing federal policy across the spectrum of functions performed by his department.

He was making changes without congressional consent, using budgetary cutbacks, regulatory manipulation and personnel shifts.

Among the most controversial of his actions were:

● Opening virtually the entire outer continental shelf to bidding by oil companies and, instead of explaining that only a fraction of the area would be drilled, bragging about leasing "1bn acres" of U.S. coastal water.

(Critics howled about the risks of oil spills and other environmental damage and said the oil industry could not afford the massive enterprise.)

● Offering record tonnages of coal in leases of public lands at a time when coal was glutting the market.

(A Government accounting office study said some of the leases went for

Why the rich are happy when it rains.



## And why the F.T. was glad it didn't rain last Friday.

When our Fisher ad ran here a week ago, readers inundated the FT switchboard wanting to know where to buy our Home Entertainment Centre.

In view of the changing weather we felt it appropriate to address the issue head-on by giving you our address.

So now, for further information contact:

Fisher Sales (UK), Unit 1-4, Walter Lawrence Estate, Otterspool Way, Watford, Hertfordshire WD2 8HL. England. Telephone: 0923 31974.

**FISHER**

The Sight and Sound of Precision.

**AYCLIFFE + PETERLEE**  
Development Corporations

Newton Aycliffe, County Durham DL5 6AW  
Telephone: (0325) 312521 Telex: 58428 ACORN G  
Peterlee, County Durham SR8 1BB  
Telephone: (0783) 863366 Telex: 537426 DEVCON G

Please post to: John Elliott  
Aycliffe & Peterlee Development Corporations  
FREEPOST Newton Aycliffe Co Durham DL5 6BT

**AYCLIFFE + PETERLEE**  
Development Corporations

Newton Aycliffe, County Durham DL5 6AW  
Telephone: (0325) 312521 Telex: 58428 ACORN G  
Peterlee, County Durham SR8 1BB  
Telephone: (0783) 863366 Telex: 537426 DEVCON G

Please post to: John Elliott  
Aycliffe & Peterlee Development Corporations  
FREEPOST Newton Aycliffe Co Durham DL5 6BT

## THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

## The challenge of emulating IBM

BRUCE HENDERSON has spent his working life convincing businessmen that life is complicated and then offering them ways of making it simpler (at a price, of course). He's made a fortune doing it.

As founder of the Boston Consulting Group 20 years ago, and its chairman ever since, Henderson has been dubbed "the greatest single influence on top management since 1970" (the title was presumably held until then by Peter Drucker).

So why should Henderson claim, at a packed conference in Paris last week organised by the Strategic Management Society, that "most companies don't have a strategy—they just talk about it like they do about the weather"? Well, he's admitting to the flood of recent criticisms that BCG's portfolio matrices, experience curves and so on have done as much harm as good by overcomplicating things?

Not a bit of it. In the true style of an older statesman (particularly one who has just joined the world of academia) Henderson complained that companies actually need more tools and techniques if they are to survive and prosper.

If companies really had been able to produce sophisticated strategies, he asked, would so many of them all have jumped together into the computer business? Many of the entrants who are now fighting for their lives had not even worked out relatively simple things: how they were going to secure their technical talent, develop their software, and so on. Yet if they wanted to have a strategy worth the name, they would have to go very much further than that, for instance, into highly complex "mapping" of competitive strengths and weaknesses.

Several speakers at the conference elaborated the argument, first propounded by Professor Henry Mintzberg of Montreal's McGill University, that strategy is as much the result of a company's actions as a rigid plan of campaign. This has painful ramifications for those consultancies which, like BCG in its heyday, are largely geared to the provision of complex analytical tools.

Apart from sending nearly 500 academics and consultants away from Paris in a state of nagging self-doubt, Henderson's speech encapsulated one of the

## Immature

The point was given forceful emphasis by a speech from Gerard Worms, the thankless head of Rhône Poulenç, the troubled but recovering French chemicals group. So long as a company's management is seen as "professionally immature," centralisation was inescapable, he pointed out, indicating that professionalisation of managers (which presumably includes education in BCG's dogma) was now a top priority for Rhône Poulenç.

Europe's problem was most succinctly diagnosed by Philippe Haspelslagh. Manageable and efficient co-ordination (as opposed to centralisation) can only be established without stifling the organisation if companies do it selectively, he argued. But they can only know how to do that if, unlike most Europeans, they have already been operating for several years with highly professional and almost completely decentralised business units. So, says Haspelslagh, it will be difficult for European companies to skip the "SBU" stage, which may leave them just as far behind IBM as they are today.

Christopher Lorenz

## Managers' unions in decline

Brian Groom explains why recruitment is slowing down

AT THE end of the last decade Britain's managers and senior professional staff were joining trade unions in increasing numbers. But far from engulfing industry, many employers and union officials now say that the tide has been stemmed in Mrs. Thatcher's very different Britain of the 1980s.

Several papers at the major conference highlighted a major structural deficiency in this key area from which European companies may soon be suffering at the hands of their US competitors. Papers from Professor Michael Porter of Harvard and Philippe Haspelslagh of Insead (the international business school near Paris) combined to suggest that the balancing act of "freedom versus control" will be easier for companies already organised (like IBM, General Electric or one of the other US groups) on the basis of networks of decentralised but co-ordinated "strategic business units" (SBUs) than for those which are still (like most Europeans) in a basically divisional structure, or worse still completely centralised.

Not a bit of it. In the true style of an older statesman (particularly one who has just joined the world of academia) Henderson complained that companies actually need more tools and techniques if they are to survive and prosper.

If companies really had been able to produce sophisticated strategies, he asked, would so many of them all have jumped together into the computer business? Many of the entrants who are now fighting for their lives had not even worked out relatively simple things: how they were going to secure their technical talent, develop their software, and so on. Yet if they wanted to have a strategy worth the name, they would have to go very much further than that, for instance, into highly complex "mapping" of competitive strengths and weaknesses.

Several speakers at the conference elaborated the argument, first propounded by Professor Henry Mintzberg of Montreal's McGill University, that strategy is as much the result of a company's actions as a rigid plan of campaign. This has painful ramifications for those consultancies which, like BCG in its heyday, are largely geared to the provision of complex analytical tools.

Apart from sending nearly 500 academics and consultants away from Paris in a state of nagging self-doubt, Henderson's speech encapsulated one of the

EUROPE'S trade unions have made considerable progress over the past decade in reducing the expanding class of managers and professional staff in the face of hostility from many employers. This provided membership growth at a time when employment in traditional areas was falling, and reinforced unionisation as representatives of a wide spectrum of the workforce.

But huge obstacles remain. Union membership among managers and professionals in most countries is nothing like as high as the 70 per cent estimated in Sweden, with its large public sector and long years of socialist rule.

Independent managerial

federations in Denmark, Senior staff in many countries are put off by the historical distrust and antagonism shown towards them by some manual workers' unions, which push for reduced pay differentials and less of a special status for managers.

This deepens the split which has emerged between the main national union centres (which want to represent managers alongside blue- and white-collar workers), and independent, non-political federations which want to give them an autonomous voice.

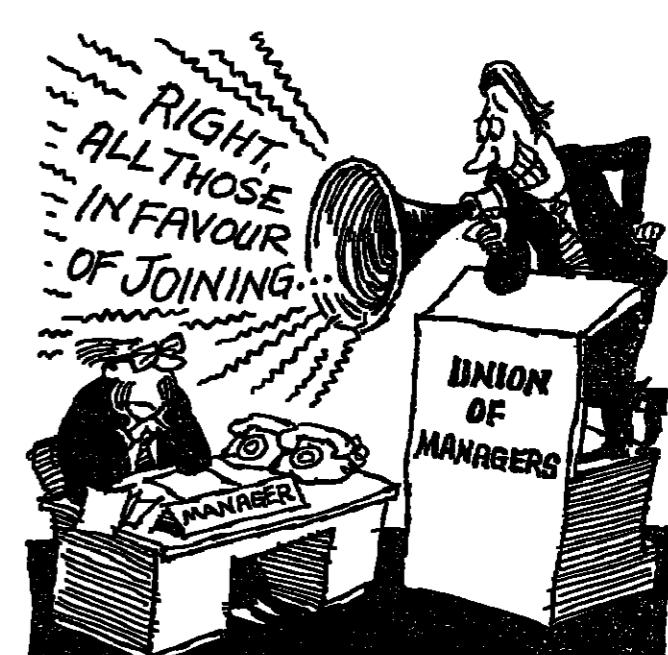
Independent managerial

France, Italy, Belgium, Britain, the Netherlands and West Germany are linked by the Confederation Internationale des Cadres (CIC), based in Brussels and Paris. Some of its affiliates have poor relations with those of the Brussels-based European Trade Union Confederation (ETUC).

"We know the reason why. The ETUC affiliates would like to have all the managers and professional employees in their unions. What they cannot accept is that even now the vast majority of this class of employee is not in any union whatsoever and is

not going to be so long as politics is played," claims Wilfred Aspinall, vice-president of CIC and director of its UK member, the Managerial, Professional and Staff Liaison Group.

Unions see many of the independent associations as exclusive in philosophy, prejudicial to the solidarity of the workforce, unable to represent their members adequately, and encouraged by employers hostile to genuine trade unionism—though occasionally, unions refer to them as useful first steps towards full union organisation.



What does the future hold? The harshest words about the EPTU's chances of recruiting more managers come from Peter Ball, director of operations at the Engineering Employers Federation, which opposes collective bargaining by managers.

"The whole thing is dead. There was tremendous excitement under the Wilson Government and I suppose a bit under Callaghan when everyone had to be consulted through the union, but these days quite honestly it's disappeared." What would it take to bring it back? "A Labour Government and a corporate state."

Tony Rice, national secretary of the EPTU's white-collar section, believes his own union will continue to pick up staff associations (the Rolls-Royce managers are likely to be

trial tribunals and works committees.

In Belgium, where the majority of professional and managerial staff are still not union members, the three ETUC affiliates attack employers for encouraging independent organisations. However, they claim that the influence of one main rival, the CNC managerial association, is declining.

The Netherlands' professional organisation, the 125,000-member MHP, is represented on the country's Economic and Social Council. Its growth was assisted by managers' dislike for policies pursued by the traditional unions in the 1970s for income redistribution in favour of the lower-paid.

ALL TOO SOON IT'LL BE THE DOG EAT DOG OF THE CROWDED MARKETPLACE.



However, for a few, precious hours all that is a long, long way away.

Here, in the privacy of our Business Class cabin, there are no quick decisions to make. Here the only options to be weighed are the choice of food and drink.

Champagne perhaps, or your favourite cocktail.

Lobster Newburg, Grilled Rib Eye Steak or Szechuan Fried Fish. And which liqueur?

It's the most pleasant of dilemmas.

In the meantime, relax in an exclusively designed seat that some airlines would be pleased to call First Class.

Adjust your special stereo headphones, and

choose from eight music channels offering everything from Brahms to Bernstein, as we fix your table cloth of fresh crisp linen and lay out the fine bone china. With our gentle hostesses in sarong kebayas anticipating your needs almost before you ask.

And when you finally take leave of us you'll still be one jump ahead. Priority luggage clearance and

our Premium Accommodation Plan service will have you speeding towards your hotel while most others are still in the terminal.

In today's crowded marketplace we're only too aware that it's very much in our business interest to help you SINGAPORE AIRLINES BUSINESS CLASS



## TECHNOLOGY

TOMORROW'S CAR ENGINES WILL USE NEW MATERIALS TO REPLACE METAL COMPONENTS

## Ceramics move into the firing line

BY ALAN CANE

SUDDENLY, CERAMICS are in the news. In the U.S., Du Pont and Toyota announce plans to develop connecting rods of aluminium strengthened with Du Pont ceramic fibre. In Japan, car manufacturers continue to work towards the "ceramic engine" in which many of the parts conventionally fabricated in metal are replaced by ceramic.

And in the UK, Lucas Cookson Sylon, a joint venture of Lucas Industries and the Cookson Group, announces it is mass producing Sylon, one of the most promising of the new materials (see the FT, November 3).

There are a number of reasons. First, many conventional metal engineering alloys are reaching the limit of their design life. This week, for example, it was suggested that an aero engine which today runs at 1050°C could be run at 1350°C with the concomitant advantages that it would use less of a cheaper fuel and produce less pollution if ceramics were used for many of its internal components.

Second, ceramics being lighter than metals offer the possibility of high energy savings which is why the Japanese, putting resources into their "Moonlight" energy saving programme, are excited by the possibility of ceramic motor vehicle engines.

So a company like Isuzu, a Japanese firm partly owned by

General Motors, reckons to cut fuel consumption in the ceramic engine it has built by nearly 50 per cent compared with conventional engines.

But engine components are only one use for a material which seems likely to have a profound influence on engineering practice in the years to come. In the UK, the raw materials for Sylon are being manufactured by Anzor, a powder manufacturer which is part of the Cookson group. Anzor points out: "Most

In Japan, car manufacturers continue to work towards the "ceramic engine" in which many of the parts conventionally fabricated in metal are replaced by ceramic.

demanding applications currently requiring sophisticated metal products can potentially use Sylon ceramics. If the component or part has to withstand high temperatures, experience thermal shock, exhibit great strength or wear properties in adverse conditions, then it may be practical to use Sylon ceramic."

So the immediate uses for Sylon include metal cutting. Kennametal of the U.S. and Sandvik of Sweden have taken out licences to develop machine tool cutting inserts in Sylon, parts conventionally fabricated in tungsten carbide.

According to Anzor: "Sylon

ceramic inserts will cut difficult materials such as iron and super alloys at high speeds with large depths of cut and provide very high rates of metal removal. The ceramic has the ability to withstand mechanical and thermal shock caused by interrupted cutting."

It can be used for wear parts like drawing dies, tube drawing mandrel plugs, guide vanes and roll guide plates.

It can be used for welding gas shrouds and location devices for resistance welding machines. Weld locator pins made from Sylon, for example, have so far performed well in welding operations without adverse effects while conventional metal pins last about 5,000 operations before thermal shock and flux spatter wear them out. As Mr Howard Poulsom, a director of Lucas Cookson Sylon remarked wryly: "We won't get much repeat business there."

Some of the tests Sylon have been put to are becoming myths in their own right. Valve shims—circular ceramic plates—were fabricated in Sylon for a Volkswagen Golf and driven for 70,000 kilometres. At the end of the test, no wear could be detected.

Why should Lucas Cookson have the edge with this seemingly miraculous material? One answer is that ceramics—associated more commonly with bathrooms and pottery—are taking a long time to become established in the tradition-bound engineering world. Newcastle University where Sylon was developed, Lucas and Cookson have all believed in Sylon and its importance for

nearly 20 years. In that time the preparation of these complex alloys has been transformed: "It used to be alchemy, but now it's loosely based on science," observes Dr Alan Rae, general manager of the technical ceramics division of Anzor.

Sylon is one of four ceramics which are likely to be important in the engineering of the 1990s: the others are silicon carbide, partially stabilised zirconium (PSZ) and alumina.

The first useful engineering

The search for new and better ceramics goes on, helped by the fact that the raw materials are the most plentiful on earth.

ceramic to be discovered was silicon nitride, which exhibits all the advantages of strength, wear resistance and lightness but is difficult and expensive to manufacture. At Newcastle University, Professor Kenneth Jack directed research which led to the discovery that silicon nitride alloyed with aluminium and oxygen resulted in a material that had the strength and wear attributes of the nitride coupled with better chemical stability and better high temperature capabilities.

Some 400 trial alloys later, Professor Jack and Dr John Lumby, now Lucas Cookson's senior technical specialist, came up with the Sylon family.

An uninteresting dull grey powder, Sylon can be shaped into components by conventional metal powder forming techniques including pressureless sintering. Half prepared products can be "green" machined before sintering so avoiding the need for expensive diamond grinding afterwards.

The alloying process patented by Lucas involves mixing silicon nitride powder with aluminium oxide together with the special ingredients polystyrene and yttrium oxide: "the pixie dust that gives it the properties you want," as Alan Rae put it.

The alloying process patented by Lucas involves mixing silicon nitride powder with aluminium oxide together with the special ingredients polystyrene and yttrium oxide: "the pixie dust that gives it the properties you want," as Alan Rae put it.

It will be very fast, very easy to program and connect to other devices but with fewer instructions available to the processor.

Speed will be assured by the fact that it will be a 32-bit device (able to process 32 individual bits of information simultaneously) running at 10m instructions a second (mips).

There are a number of 32-bit single chip microcomputers already in prospect at the sampling stage—NCR, Hewlett-Packard and National Semiconductor have announced such chips, for example: but a single chip running at 10 mips would be significantly ahead of most of the competition. NatSem's device, for example, is rated at 1.2 mips; the Intel 16-bit 286 at 1.0 mips.

This is achieved by a reduced instruction set. According to Mr Barron, although there will be fewer instructions available, there will be greater functionality: "This chip will be able to do more, different things."

There will be four thousand bytes (sets of eight bits) of memory on the chip and data will be exchanged between the memory and the processor at 80m bytes a second.

There will be a 32-bit multiplexed interface for mixed

## INMOS COMPUTER DETAILS

## Transputer—the universal machine

Financial Times Friday November 4 1983

EDITED BY ALAN CANE

Rent or Buy!  
MBS Rentals  
01-626 2181

## Communications

## Building blocks for data

memory systems and direct addressing will extend to four gigabytes.

The most interesting feature of the transputer, however, is its ability to be connected easily to other devices. There is an 8-bit multiplexed interface for peripherals, running at four million bytes a second to industry standard devices.

There are also four special "Inmos Links" running at 16m bytes a second to other transputers.

Barron sees the transputer both as an essential component in conventional microelectronic circuitry and in systems where computation is carried out in parallel, essential for the next stage of machine intelligence or "Fifth Generation" computing systems.

The transputer is designed to be connected up in arrays and programmed using an Inmos language called "Ocean" which allows for concurrent execution of instructions. For these very advanced systems the transputer and the language have to be seen as part of the same environment.

The major question over the transputer is whether the electronics world will accept it as a component and whether customers for the more advanced concepts will be prepared to take on board the combined transputer/Ocean package.

The transputer is not yet in production although prototypes running at 5m instructions a second—the S14—has been designed by Inmos' extremely advanced computer aided design system and taken through to the device stage. The first engineering samples of the IMS 424 will be available in 1985, Inmos says.

ALAN CANE

## ORGANISMS THAT SURVIVE HOSTILE CONDITIONS

## The tough bugs

BY DAVID FISHLOCK, SCIENCE EDITOR

THE FORAYS of scientists funded by the Natural Environment Research Council (NERC) into unexplored parts of the planet—the earth's crust, the seabed, the ice shelves, for example—have encouraged the council to believe that it may have something important to contribute to industry in biotechnology.

They are discovering that micro-organisms can survive, even thrive, under remarkably hostile conditions of temperature and pressure, more akin to a chemical reactor than the cossetting conditions of a fermenter.

"They appear to have some rather peculiar properties," says Dr John Bowman, secretary to the council. "Some may be very useful—in processes that don't yet exist." Cryo-preservation—long-term storage of living organisms at very low temperatures—is another goal.

NERC's plan, drawn up in consultation with other research councils and with the national committee supporting biotechnology, is to build an industry's support for basic research on these prospective new biotechnologies, using either naturally hardy microbes or genetically engineered species into which specific resistance to physical abuse has been built.

NERC already has a biotechnology research base, mainly focused on two commercially important targets in forestry at present. One is cell and tissue culture of hardwoods. A "special topic" grant has been made to Aberdeen University for work in conjunction with Nottingham University—a national centre of plant tissue culture—and NERC's Institute of Terrestrial Ecology in Cambridge.

Aberdeen's aim is to avoid the difficulty of rooting cuttings

taken from mature trees such as birch and alder, by developing tissue and cell culture methods for rapid propagation. It also aims for new genotypes through hybridisation and cell fusion.

Beyond this, the research group is seeking genetic manipulation of tree chromosomes with the idea of creating harder species of hardwood. Dr

They are discovering that micro-organisms can survive, even thrive, under remarkably hostile conditions of temperature and pressure, more akin to a chemical reactor than the cossetting conditions of a fermenter.

P. T. W. Saunders, NERC's director of life sciences, says one reason why it is moving into forestry is because the genetic manipulation of trees is trailing so far behind progress with other plants.

NERC's second biotechnology target is the control of forest pests by biological methods, using insect viruses to kill the pests. The attractions compared with chemical pesticides are that the weapon is incredibly specific, calling for quantities

of pounds.

An American proposal to conduct such an experiment under the auspices of the U.S. Department of Agriculture is currently held up by opponents who fear the consequences.

## AN OPPORTUNITY TO DEVELOP TECHNICAL GROWTH INDUSTRIES

Korda & Company is an organisation promoting the commercial exploitation of technology through strategic consultancy services and new business formation.

During the past year we have worked for organisations in fields as diverse as interactive home banking and environmental microbiology.

We are looking for staff who can offer exceptional intellectual ability, understanding of current and future trends in technology (especially information technology), broad commercial experience, enthusiasm and flexibility.

We can provide challenging, intellectually demanding, creatively satisfying, hard work with senior client management on projects of great strategic commercial significance, long term project involvement from initial concept to implementation, competitive salaries with generous profit share.

Please write to:  
Alexander Korda,  
Korda and Company Limited, 56 Britton Street,  
London EC1M 5NA.

KORDA & CO.

# LONG ON RESOURCES. SHORT ON RED TAPE.

*'That's the difference'*



Next time you're involved in financing an overseas operation, don't make any major decisions before talking to Standard Chartered Bank.

You'll find we can save you valuable time, because as the UK's largest independent international bank, with an established reputation in the Eurocurrency markets, we're likely to have the resources to handle projects of any size and complexity.

Because we have branches in over 60 countries, you'll find us unusually helpful when it comes to providing local or multicurrency finance.

And you'll find some very definite advantages in

the fact that our 1900 branches provide an integrated system that specialises in working with the speed, accuracy and efficiency that international projects or contracts demand, if the opportunities are to outweigh the problems.

In fact, since we can offer everything from currency dealing (in 55 currencies, through 18

locations around the world), through leasing, trade finance and cash transmission, to merchant banking services in eight financial centres, you may well discover that Standard Chartered can make all the difference to your ability to do profitable international business.

That's a difference worth hearing about. Call us soon.

**Standard Chartered**

BANK PLC

**Direct banking, worldwide**

Head Office: 10 Clements Lane, London EC4N 7AB.

## WORLD TRADE NEWS

## Ford, GM strengthen position in European car markets

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE HIGH-POWERED performance of the two US groups, Ford and General Motors, provided the major talking point in the European car markets during the first nine months of 1983.

Ford emerged as clear market leader thanks to a substantial rise in its own sales and a steep fall in those of Renault, the previous European champion.

Meanwhile, General Motors, using the Opel and Vauxhall badges, pushed its market share ahead by nearly two percentage points (see table) following a 24.9 per cent jump in total registrations in January-September this year compared with the same months of 1982.

The market shares are based on informed but unofficial estimates circulating within the industry which show that total European car sales in the nine months rose by 5.4 per cent, from 7,716,790 to 8,136,310.

Ford's move to top place has been assisted by the introduction of the Sierra to replace the 16-year-old Taurus / Cortina models. In the nine months Sierra took 8.8 per cent of total European car sales with 506,342 registrations. At the same time the Escort overtook the VW Golf as Europe's best-selling car. Escort in the first three-quarters of 1983 had 352,158 registrations for a 4.3 per cent market share.

The VW Golf, suffering because its planned replacement by a new model this autumn was well-known, dropped from 4.4 to 4.2 per cent.

GM's dramatic rise follows the group's entry to a segment of the market in which it was previously not represented with the Opel Corsa/Vauxhall Nova, built in Spain.

### Californian dairy order won by Danes

By Hilary Barnes in Copenhagen

THE DANISH dairy equipment manufacturer, Pasilac, has won a Kr 300m (\$32m) order to supply processing equipment for a dairy near Los Angeles, California. The dairy will be one of the largest in the world with capacity to process a million litres of milk a day.

The complete dairy project will cost Kr 700m (\$75m) and it will be financed in its entirety by a Danish limited partnership (Kommanditfonden), which will own the dairy and lease it back for 15 years to the company which is building the plant. Mr David E. Griswold's Protein Technology.

The dairy will be operated under a management contract with Express Dairy Food of Ireland.

It will produce 4m kilogrammes of cheese, 2.5m kg of butter, 2.5m kg of protein powder and 9m kg of alcohol a year.

Pasilac, one of the world's leading companies in the field of membrane filtration technology, won the contract in competition with Sweden's Alfa-Laval and an American company.

The unusual financing arrangement played a crucial role in making the Danish offer competitive, according to Mr Flemming Ralk, managing director of the investment partnership Dansk Investering (Disko).

Disko will sell partnerships of Kr 50,000 each in the project to Danish investors to raise the necessary capital to finance the construction of the dairy. The partnerships are an attractive investment for tax reasons.

The investment enables individuals to utilise depreciation write-offs against income tax in the same way that a company writes off depreciation costs. The tax deduction means that the investors' cash flow in the first years of the investment is improved, though later he has to pay tax on the profits from the venture.

There will be virtually no exchange rate risk as the construction will be financed primarily with dollar loans and partnerships income will also be in dollars.

### 2-litre power for Peking officials

By Alan Friedman in Rome

THE VISION of Chinese Communist Party officials driving around the streets of Peking in four-door Fiats may not be exactly what Mao Tse-tung had in mind, but this is precisely what is about to happen.

Fiat last night announced it had received an order from the Government of the People's Republic of China to provide 400 2-litre Argentas in a completely specified

LISTER DIESELS, of Britain, one of Europe's largest diesel engine manufacturers, is on the point of concluding a contract with Iran worth up to £18m for the supply of 6,000 engines. It will provide a timely boost for the company's exports.

Demand for robust, reliable and uncomplicated engines, remain high in developing countries, where they are used mainly for powering pumps, generators and other continuous use equipment. However, debt problems have affected sales in the past two years, and this order is one of the largest for Fiat's kind.

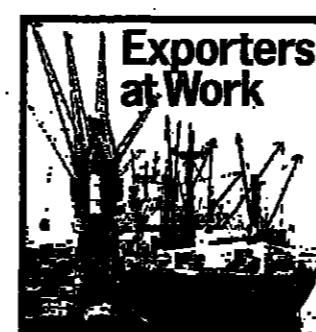
The order, which also provides Peking with technical assistance and spare parts for the cars, has come from China's State Import Agency. A Fiat spokesman in Turin yesterday said the Agents is a car normally driven by Italian businessmen (although a look around the streets of Milan or Rome suggests a marked preference for Alfa Romeo).

The fleet of Fiats is scheduled for shipment from the port of Genoa during the next few weeks, to arrive at Nanking before year end.

An Agents normally costs just under US\$10,000, but Fiat said yesterday it had given Peking a discount on the order.

Lorne Barling reports on how Lister is keeping ahead of its rivals

## Diesels tailored for the Third World



Exporters at Work

above the lowest point of the past two years.

The Middle East remained one of the strongest export markets among the 145 countries supplied by Lister, while demand in Africa and North America was relatively buoyant.

Much of the company's recent investment has gone into new machine tools and flexible manufacturing systems, while the number of engine models has been reduced to simplify production. However, product range has been maintained by offering more accessories for different engine applications.

The consistent reliability of Lister engines since their introduction in the early 1930s is nevertheless regarded as being of paramount importance.

For that reason, much of the investment has been aimed at ensuring that faster production is not at the expense of quality. Around 25m has been invested in the new T series engines, which are being produced at Swindon, in Wiltshire.

These are two- and three-cylinder air-cooled engines

and compressors, since they can be made more compact and reduce manufacturing costs, Lister said.

The new TS engine is said to offer 9 per cent lower fuel consumption than the Lister engine it is replacing, while oil changes only need to be made every 250 hours.

"In countries where availability of fuel and frequency of attention are limited, these factors are extremely important," the official said, adding that contracts in which aid agencies were involved often included requirements of this kind.

### Modified

The new engines, now being produced at full capacity at Swindon, are being launched worldwide through the company's much-valued distribution network.

They will be followed by a number of other modified and newly designed engines which Lister is producing with the aid of computer-aided design and manufacturing facilities robotics and CNC machining centres.

Although aluminium and other light-weight materials are being used on new versions, heavy investment has been made to ensure their strength. A new foundry complex at Dursley has recently been completed, with a capacity of 20,000 tonnes a year.

## Turkey committed to three N-plants

By Our Ankara Correspondent

TURKEY'S President, Mr Kenan Evren, yesterday committed the country to a \$2.6bn spending programme on nuclear energy, but gave no precise details of what the Government intended.

There was some surprise that the President should have committed the in-coming Government to be elected in Sunday's general elections to such a large spending project.

President Evren said that U.S. Canadian and German companies would build three nuclear power plants in Turkey. Negotiations with all three would go ahead in the near future and construction would begin in 1984.

AECL of Canada, General Electric of the U.S., and Kraftwerk Union of Germany are currently bidding for what had been assumed to be a single tender for one nuclear station at AKRUYU.

AECL has proposed a 633 MW station at a cost of \$900m. GE's bid was for a 1,220 MW plant costing over \$1bn.

KWU has offered a 990 MW light water reactor plant at a cost of DM 2.3bn. All three yesterday said that they were surprised by the President's remarks and had no exact knowledge what the Government had in mind.

## The unique business class to America.



### TWA Ambassador Class. It's the only way to fly.

#### To and through America

We fly to over 50 cities throughout America. From TWA's US gateways you can connect with flights to most major US cities. TWA comfort and style all the way.

See your TWA Main Agent. You'll find nobody offers what TWA's Ambassador Class offers the transatlantic business traveller.

You're going to like us



#### FORD CREDIT CANADA LIMITED

U.S. \$ 50,000,000

Subordinated Floating Rate Notes due 1989

Principal Placement

In accordance with the provisions of the Notes notice is hereby given that for the six month period from October 31, 1983 to April 30, 1984 the Notes will carry an interest rate of 10 1/2% per annum with a coupon amount of U.S. \$ 1,271.75.

Frankfurt/Main, November 1983

COMMERZBANK

AKTIENGESELLSCHAFT

See your  
TWA  
Main Agent

## UK NEWS

## Tebbit is brought in to revive dialogue with trade unions

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE TRADES Union Congress (TUC) is to meet its old adversary, Mr Norman Tebbit, the Trade and Industry Secretary for talks later this month. Discussions are expected to range widely over the whole field of industrial policy.

Plans for the meeting are an indication of the marked shift in the Government's attitude towards the unions, and might lead to a resumption of the former regular contacts between the Industry Department and the TUC. Those broke down after the Labour government lost office in 1979.

The TUC, whose team will include Mr Len Murray, the general secretary, has sought the meeting for some time. It has lists of subjects, such as regional policy, aerospace and shipbuilding, on which it wishes to establish a dialogue.

The Government appears anxious to be conciliatory towards the unions, and Mr Tebbit, who enjoyed a reputation as a scourge of the labour movement while he was Employment Secretary, is seen to be the person for the job.

Earlier this week, Mr Tebbit emphasised his wish to make discussion on regional policy genuinely consultative, and he praised the



Tebbit: praise for unions  
TUC for its contribution to the debate on the subject.

At a meeting of the National Economic Development Council, he softened the tone of a paper presented under his name by refusing to talk – as his paper did – on the need for lower wages in depressed areas in order to assist employment.

Instead, he talked about the importance of unit labour costs, and distinguished those from lower wages.

## Imports take 60% of British car market

By John Griffiths

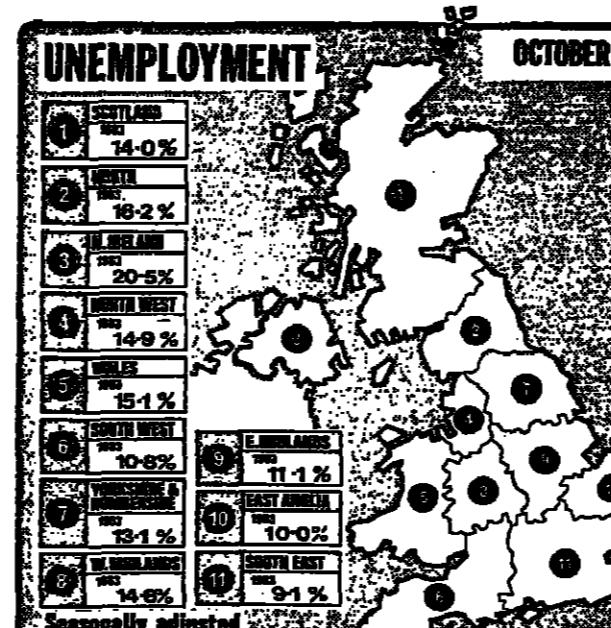
IMPORTS took over 60 per cent of the UK new car market last month, with Datsun and VW/Audi taking record market shares.

Statistics, due later this week from the Society of Motor Manufacturers and Traders, are expected to show that Datsun took just under 10 per cent of all new car sales in October, while Volkswagen's Polo model rose to fifth or sixth place in the list of top 10 best sellers.

Both Datsun and Volkswagen were offering 2 per cent financing on a customer sales incentive, but VW has strongly denied reports circulating widely in the industry that it had begun offering financial incentives to its dealers.

A VW spokesman said that while dealers could earn an extra margin over their normal official discount, the system operated on dealers reaching higher standards in areas such as after-sales service, as well as exceeding sales targets set on an annual basis. The system, said VW, had been operating for some years.

VW has launched its campaign on the Polo to tide over dealers during the run down of stocks of the current Golf model, before its successor goes on sale early next year.



## Jobless fall widespread

LAST MONTH'S fall in unemployment to a seasonally adjusted total of 2.94m, excluding school leavers, was fairly widespread with only five regions showing a rise in the total number of out of work (see map above).

In the north-west of England, unemployment rose by a further 1,900, while there was an increase of 2,000 in the Greater London area.

The north-west already has a higher than average unemployment rate, with 14.9 per cent of the labour force out of work compared with a national average of 12.3 per cent.

Unemployment in Greater London, however, is still significantly below average at 9.1 per cent of the total labour force.

Yesterday's figures showed that 613,000 young people were taking part in special government employment and training schemes in September.

It is officially estimated that about 395,000 of those on special schemes would otherwise have been claiming unemployment benefit.

## UK yards set to win £100m Swedish order

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH SHIPBUILDERS is expected next week to announce its first merchant ship order for nearly six months, totalling about £100m for three sophisticated offshore vessels for a Swedish company.

The state-owned group, which has just offered its 60,000 workers a £1 a week productivity supplement to avert a threatened national strike, desperately needs new business to keep its merchant yards active.

The new order is likely to be placed by Stena Line of Gothenburg, which wants the multi-role support vessels, which will be ships larger than semi-submersible rigs, for use by its UK subsidiary in the British sector of the North Sea.

The contract will cover two firm orders for the vessels and one option. They will be operated under the British flag by Stena (UK), based in Aberdeen.

The vessels will be built on the Tyne, most likely at Sunderland Shipbuilders which has a modern covered facility called the Pallion yard.

The order represents the type of sophisticated specialised ships that European companies are increasingly keen to build as Far Eastern competition for more standard, conventional vessels has intensified.

Mr Graham Day, the chairman of BS, said on Wednesday night after announcing the proposed productiv-

ity payments that next week should see the announcement of an order. He declined to give details, saying: "I prefer the birds in the hand."

The productivity deal with the unions, which still has to be confirmed at local yard level, was seen as a way to provide the right conditions under which the loss-making BS could get out and seek new business.

"Psychologically, when we are able to show shippers what we will have achieved – in other words post-December 13 (by which time the deal has to be fully agreed) – they will be impressed with the spirit of the agreement."

He added: "I hope and believe it will give them confidence in BS." The agreement foresees increased job flexibility and changes in working practices aimed at lowering costs and raising efficiency at continental European levels.

The productivity payments are not guaranteed, but will depend on agreement at national and local level on the BS survival plan and implementation of more flexible working practices.

Mr Andy Barr, managing director, operations, maintains that "the brains on the shopfloor" have a valuable contribution to make in achieving cost-savings.

But he insists such moves do not represent any softening of the management's attitude to worker participation.

## Workers' ideas save £20m for Rover

By Arthur Smith, Midlands Correspondent

AUSTIN ROVER has identified ways it can cut costs by £20m through the work of its "think-tank" teams of staff and shopfloor workers.

One team achieved cost savings worth £1.3m a year on the transmissions for the Mini and Metro models. Simply replacing a complex machined part with a standard bolt, for example, has saved more than £15,000 a year.

More than 50 teams have been charged with cutting production costs on existing car components, or improving design on new products.

While the use of such value analysis teams is growing in British industry, the state-owned vehicle cars company argues it is "unorthodox" in involving workers from the shopfloor.

Each team of six to eight people includes a manual worker to argue the case alongside specialists such as engineers, finance and design staff.

Mr Andy Barr, managing director, operations, maintains that "the brains on the shopfloor" have a valuable contribution to make in achieving cost-savings.

But he insists such moves do not represent any softening of the management's attitude to worker participation.

## BCal seeks slice of British Airways in privatisation deal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN Airways (BCal) the large independent airline, has asked the Government to sell £200m worth of British Airways' routes and assets in order to ensure fair competition in UK civil aviation.

Behind the scheme is a fear – shared by other independent airlines – that if the Government sells British Airways to the private sector after writing off the airline's debts of more than £1bn, it would create a powerful, debt-free force that would threaten the existence of smaller operators.

Sir Adam Thomson, chairman of BCal, said that if that happened the airline would have no option but to quit its base at Gatwick Airport, near London, and transfer operations to the new Terminal Four at

Heathrow (London), where it would be able to compete on a more equal footing with a privatised British Airways.

Sir Adam's scheme was put to the Government some weeks ago, first to Mr Tony King when Secretary for Transport, and more recently to the new Secretary of State, Mr Nicholas Ridley.

If adopted, it would have far-reaching implications. The scheme envisages BCal taking over certain BA routes on a fully commercial basis, and transferring them to Gatwick. The amount to be paid for such assets would be settled by an independent valuation.

Sir Adam denied yesterday that the scheme constituted a "carve-up" of British Airways in advance of privatisation. He said it was designed to help ease the path of privatisation, and help create "a more vigorous and balanced UK air transport system for the 1990s and 1990s."

Details of the scheme are being circulated to other ministers, MPs and senior civil servants, the Civil Aviation Authority, the British Airports Authority and other interested bodies.

Sir Adam claimed that the scheme would help to reduce the cash burden on the taxpayer of privatisation by several hundred million pounds. The cash realised from the sale of a small but select part of the BA assets to other airlines would help to pay for writing off the state airline's debts.

## Ruling awaited in Mercury case

THE COURT of Appeal in London yesterday reserved judgement on the challenge by Mercury Communications to the High Court's refusal to order the Post Office Engineering Union to end its industrial action against the company.

Sir John Donaldson, Master of the Rolls, and his two fellow judges are expected to give their ruling next week, when the union will be holding its annual conference in Blackpool.

Whatever the Appeal Court decides the case is likely to go on to the House of Lords for a final ruling. The side which loses next week can be expected to petition the Law Lords for an early hearing.

● MR NEIL KINNOCK, the new Labour Party leader, plans to travel widely in the next 18 months to build up his international knowledge and experience. He wants to go to both the US and the Soviet Union, as well as to Continental countries and many parts of the Third World.

● A NEW Coal Industry Bill, which will allow Britain's National Coal Board to lose up to £1bn a year has been presented to Parliament by the Government. The Energy Department has said that the industry is still expected to become profitable by the end of 1983. By March this year the Board's debt was £3.7bn.

● THE GOVERNMENT has received 48 applications for freeport status throughout the British Isles. Mr Barney Hayhoe, Treasury Minister, told the House of Commons last night: Up to five experimental "tax haven" freeports are to be set up before the end of next year.

● MR PATRICK SHEEHY, chairman of BAT Industries, which this week bid £796m for Eagle Star, is to join the board of British Petroleum. BP also announced yesterday that Lord Inchcape will step down from the BP board at the end of this year, after more than 18 years as a director.

## Fierce scramble to be first up in smoke

ABOUT a third of Mr John Baxter's work goes up in smoke.

The business also goes up with a whoosh, a fizz, a bang or just occasionally a fizzle, in the most important night of the year for Britain's small pyrotechnics industry.

Mr Baxter, a former ICI manager, is managing director of Brocks Fireworks, a family firm and one of four companies competing fiercely for the £20m market of 100m firecrackers, rockets and sparklers which go off in thousands of back-yard Guy Fawkes celebrations.

The event, commemorated annually by Britons with fireworks and bonfires, is the Gunpowder Plot, when a group of parliamentary rebels attempted to destroy the Parliament building on November 5, 1605, while King James I and his ministers were inside. Guy Fawkes, a soldier with the Spanish Army in the Netherlands, was recruited by the instigator of the plot, Robert Catesby. He was arrested after 20 barrels of gunpowder were discovered in the cellar under Parliament. He confessed under torture and was hanged.

The Brocks family, which still owns the company, know the starting date for their business as an ancestor, John Brocks, blew himself up on this day in 1720 at Clerkenwell, apparently in a product demonstration which went wrong.

Brocks is a modest collection of Nissen huts and well-brickled packing houses just outside the town of Sanquhar, in Dumfries, Galloway, Scotland.

About 120 workers, most of them seasonally employed women from the town, gingerly pack black powder, perchlorate, sulphur and nitrate into cardboard tubes for the rockets. Powdered metals such as magnesium or even titanium are added for the spectacular bursts of colour.

● THE GOVERNMENT has received 48 applications for freeport status throughout the British Isles. Mr Barney Hayhoe, Treasury Minister, told the House of Commons last night: Up to five experimental "tax haven" freeports are to be set up before the end of next year.

● MR PATRICK SHEEHY, chairman of BAT Industries, which this week bid £796m for Eagle Star, is to join the board of British Petroleum. BP also announced yesterday that Lord Inchcape will step down from the BP board at the end of this year, after more than 18 years as a director.

## FOR SALE Villa ROME - ITALY

Stone-built villa set in 10,000 m<sup>2</sup> of grounds. Private driveway, strong room, housekeeper's apartment. Private sale.

For information, write Box T5279, Financial Times, 10 Cannon Street, London EC4P 4BY.

## Meet the Q.C. who lays down Lovell's Law.

\*Quality Controller

Look closely at any Lovell site and you'll see something quite rare in British construction today: the old-fashioned ability to build.

Unlike many other major contractors in this country Lovell is maintaining a traditional craft approach within its carefully trained and highly skilled workforce.

Someone not familiar with the building industry might find this a strange comment to make. After all, if a builder doesn't build, what on earth does he do?

Everyone connected with the industry will, however, appreciate the distinction!

Lovell always has been a name synonymous with care, with commitment and with a dedication to quality.

The Lovell reputation offers assurances that come not just from

highly motivated management, but more importantly from the entire team.

In terms of cost efficiency and improved building schedules the Lovell approach gives lie to the old law of construction which stated that projects rarely get built on time or within budget.

Now Lovell's Law is proving not only that quality is alive and well, but also that a spirit of innovation is adding new values and exciting dynamics to the total building process.

Look at our latest video and see for yourself how we lay down Lovell's Law on quality control for the benefit of you – the client.

FREE VIDEO CASSETTE NOW AVAILABLE. CALL EDWARD REES ON 0753 882211

Look at

Lovell

MARSHAM HOUSE, GERRARDS CROSS, BUCKS. SL9 8ER. TELEPHONE: 0753 882211. TELEX: 848932.

## UK NEWS

# Defence budget dispute will go to full Cabinet

BY PETER RIDDELL, POLITICAL EDITOR

A DISPUTE over next year's defence expenditure will have to be resolved by the full Cabinet in a week's time after a stalemate within the Cabinet committee under Lord Whitelaw, which is reviewing spending.

Mr Michael Heseltine, the Defence Secretary, is resisting the Treasury's attempt to roll forward into 1984-85 the £240m cut in this year's defence expenditure which was announced in July.

A reduction in expenditure in both years would still enable the Government to say that it was honouring the commitment to the Nato target of 3 per cent annual growth in real terms. In addition, the Ministry of Defence is seeking additional money on previously planned levels, leaving an overall gap of between £30m and £40m above the Treasury target.

Neither Mr Heseltine nor Mr Peter Rees, Chief Secretary to the Treasury, has so far been willing to compromise. The issue will, therefore, be decided by the Cabinet next Thursday, and the present signs are that Mr Heseltine faces a difficult task in winning support, especially as his colleagues have agreed to hold down their programmes.

The autumn economic statement in the House of Commons is expected in two to three weeks' time and will include not only the broad spending totals for next year but also new economic forecasts.

Defence spending has proved to be the most intractable item being considered by the Cabinet committee of senior ministers which was set up a fortnight ago to narrow the differences still remaining after bilateral discussions between Mr Rees and spending ministers.

The gap then was well under £1bn compared with an original excess of £2.5bn above the existing target of £126.4bn for 1984-85. Diff-



Michael Heseltine

ferences over the social security budget appear to have been resolved, and expenditure on the National Health Service is likely to be maintained at previous target levels.

Social security benefits are likely to remain inflation-proof, although details of the November 1984 uprating will not be decided until the spring budget. There may be some cuts in the eligibility for benefit at the margin. Any increase in child benefit which is not covered by inflation-proofing pledges, will not be clear until the spring.

Overall, the Treasury is confident that total spending will be within existing targets for 1984-85, even though this may involve some adjustment of assumptions.

Some ministers argue that the Treasury has been unduly gloomy about the fiscal outlook in order to get the Cabinet to agree tight controls on spending. They argue that the public sector borrowing prospects are not nearly as bad as indicated by the high figure for the first half of 1983-84.

## Labour sharpens attack on health service cuts

BY OUR POLITICAL EDITOR

THE LABOUR Party yesterday launched a nationwide campaign against cuts in the National Health Service, with the aim of gaining support from people not committed to the party. Mr Michael Meacher, the party's new health and social security spokesman, said yesterday that extraparliamentary action would be the arena since the party wanted to get out to encourage thousands of people to protest against the Government's policies.

A main target will be NHS doctors and nurses, as well as ancillary workers who are already members of the unions affiliated to the La-

bour Party.

The centrepiece of the campaign is Labour's Charter for the Health Service, which includes the aim of a 3 per cent real increase in the NHS budget per year and the abolition of charges to patients.

The campaign will involve petitions to oppose hospital closures, public meetings and lobbying of local health authorities. In the foreword to the Charter, Mr Neil Kinnock, Labour's leader, appeals to people whatever their political preferences to defend the health service and so defend themselves and their families.

## Total Transport to pay compensation

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

TOTAL TRANSPORT Corporation was yesterday ordered by the Commercial Court in London to pay about \$800,000 to compensate a shipowner for losses suffered as a result of a cargo of gas oil being delivered to a company that had not been entitled to it.

The largest item in the compensation, which included interest, was \$445,777 earnings lost by the shipowner, A/S Hansen Tønnes Rederi, when its ship, the Sagona, was arrested for two weeks.

Mr Justice Staughton said that Mediterranean Raffineria Siciliana Petrolli shipped 22,872 tonnes of gas oil on the Sagona, which was on a time-charter to Total Transport Corporation, to be delivered to Rotterdam to an unspecified purchaser.

Subsequently, Total instructed the Sagona's master to deliver the gas oil to Mabanaft at Nordheim on the River Weser.

After the cargo had been discharged it was discovered that Mabanaft had not been entitled to it, al-

though the company had contracted to buy it from another party in a string of purchasing contracts.

Mediterranea Raffineria Siciliana Petrolli had the Sagona arrested and for a time Hansen feared that it might be held liable for the loss of the cargo, which was worth a vast sum. Hansen would probably have had no defence to such a claim.

In the event, the shipper was paid \$2.6m by another party. Hansen, however, had suffered considerable losses in the affair, the judge said, and claimed to be entitled to be indemnified by its charterer, Total.

The judge held that Total had caused Hansen's losses by ordering the cargo to be delivered to Mabanaft. The Sagona's master had followed normal practice and nothing had occurred that should have aroused his suspicions. Accordingly, Hansen was entitled to be indemnified by Total. Total was granted a stay of execution of the order pending a possible appeal.

## Platinum coin minted

BY CLIVE WOLMAN

THE FIRST platinum coin to be minted for 150 years, the Isle of Man Noble, was launched yesterday in several European countries by Ayrton Metals, the marketing subsidiary of Impala Platinum Holdings.

The one-ounce coin, which is minted with royal assent and will be legal tender in the Isle of Man, is designed to enable small investors to hold platinum in the same way that they can invest in gold by buying Krugerrand coins.

The production of coins should assist Impala in running down the large stockpiles of platinum it has built up during the recession as industrial demand slumped.

The coins may be purchased over

## UK engineering industry set for computer surge

BY RAYMOND SNODDY

THE UK engineering industry is planning to spend £500m on computers for design and manufacturing next year despite the recession, according to a survey.

If plans are turned into orders it could mean that the British engineering industry is about to spend more on computers during the next two years than it has in the past 30.

Detailed inquiries at more than 2,000 engineering plants suggest that the UK may be rapidly overcoming any lag in using computers for manufacturing, compared with international competitors.

The survey, which had a response rate of 71 per cent, was carried out by Engineering Computers magazine. It found that more than 15,000 computers were already in use for design or manufacturing. Computers used solely for administrative, personnel or accounting purposes were excluded.

Around 82 per cent of the installed computers are desk-top microcomputers, 30 per cent minicomputers and 8 per cent mainframes.

Commodore, with 1,530 installed machines, leads in terms of numbers, although IBM's 1,499 installations represent much higher value.

Digital Equipment Corporation (DEC) comes next with 1,394 installations followed by Apple, Hewlett-Packard, ICL and Olivetti. Sev-

HARDWARE - THE TOP TEN SUPPLIERS								
	Number of computers currently installed	Number of computers to be installed in next 12 months	Position next year		Number of computers currently installed	Number of computers to be installed in next 12 months	Position next year	
1 Commodore	1,530	1,239	5	ICL	730	1,023	222	ICL
2 IBM	1,499	1,295	7	Olivetti	220	323	222	ACT Sirius
3 DEC	1,394	1,045	8	Pericom	325	372	434	Xerox
4 Apple	1,229	234	9	General	322	372	434	Olivetti
5 Hewlett-Packard	928	235	10	Prime	115	287	384	Data General
				Fortune	112	112		

enty-three other hardware manufacturers have equipment installed in the UK engineering industry.

Next year, according to the survey, to be published later this month, 355 more DEC machines are likely to be installed, 406 IBMs and 354 Hewlett-Packard.

ACT's all-British 16-bit Sirius will seriously challenge Apple and Commodore in the microcomputer field.

In terms of numbers of machines, DEC is likely to displace IBM in first place in the engineering industry.

This includes almost 99 per cent of plants employing 1,000 or more people, two thirds of those with 200 to 500 people and a sixth of all plants employing fewer than 20.

Mr David Potts, editor of Engineering Computers, said yesterday that major computer manufacturers said privately that the survey figures tallied with their own research and that computers for manufacturing appeared to be a major growth area in the UK.

Overall, 37 per cent of UK engineering plants are already using or are about to use computers for design and manufacturing. Many more are actively thinking about it.

"Of the £500m which companies say they plan to spend, £400m will be on hardware, the rest on software.

## ICL faces fair trading inquiry

By David Churchill, Consumer Affairs Correspondent

THE OFFICE of Fair Trading is investigating complaints that ICL, the major British computer manufacturer, may be carrying out anti-competitive trading practices.

These complaints, made by small companies in the computer industry, are similar to other criticisms of ICL made in 1980 to the OFT. At that time, ICL agreed to change some of its commercial practices following discussions with the OFT.

One of the latest complaints comes from a company called DPCE which acts as a "third party" in computer equipment maintenance. It is understood to have complained to the OFT that ICL is restricting its ability to maintain ICL computer equipment.

An ICL spokesman was yesterday unable to comment on the allegations.

The OFT, however, confirmed it had received a complaint about anti-competitive trading practice in the computer industry. It is likely that OFT officials will discuss the complaint with ICL to see if any changes can be made to help overcome the small companies' objections.

Maoned or automated vehicles could carry out periodic and emergency repairs and bring on board new payloads or modules.

"By combining the capacities of many satellites on a single structure, space platforms represent a means of avoiding the rapidly approaching problem of orbital sat-

## Space platforms for TV probable 'within a decade'

BY RAYMOND SNODDY

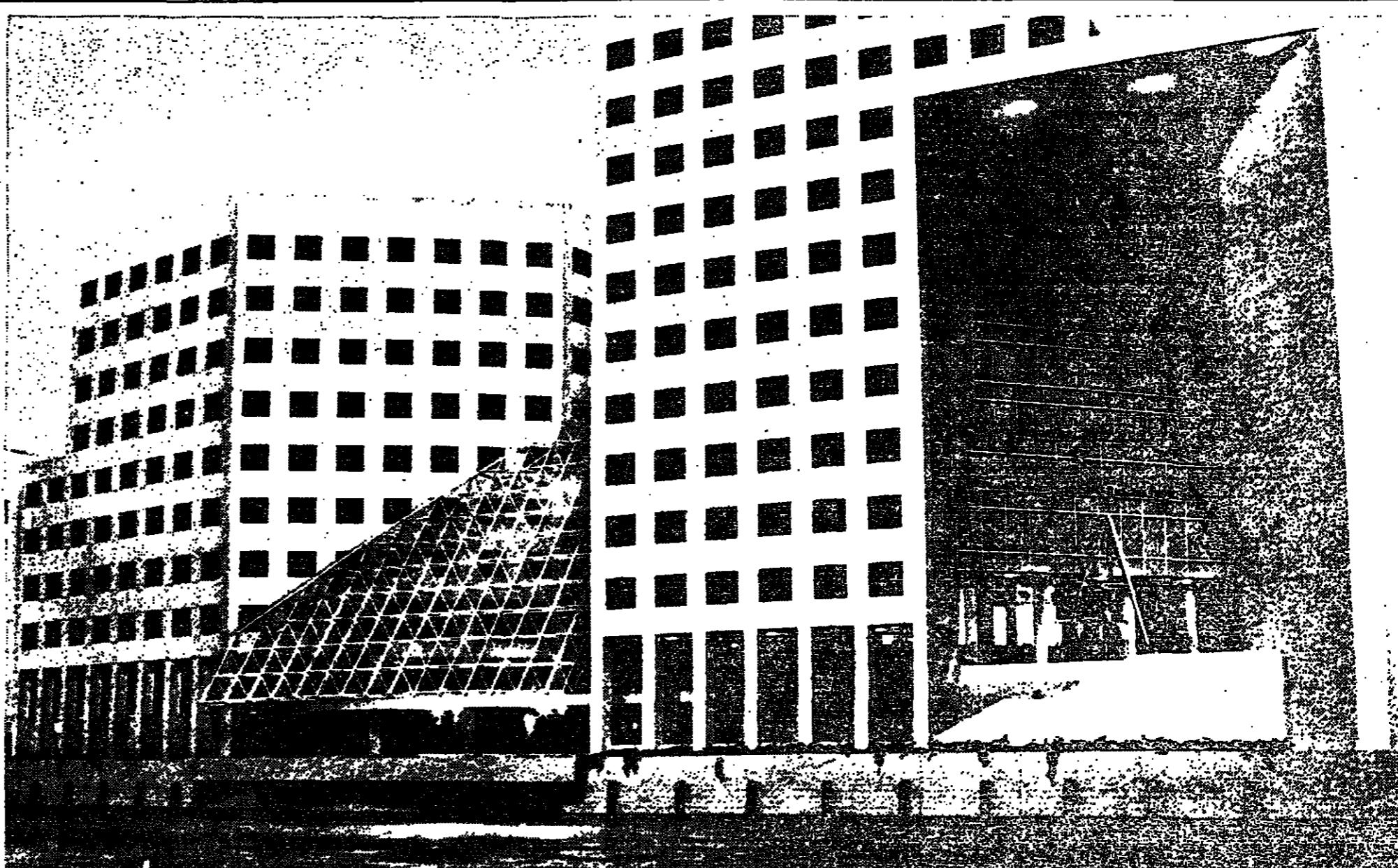
ration," said Dr Smith, a former senior vice-president of Communications Satellite Corporation (Comsat).

A West European space platform could, for instance, give television viewers and terrestrial distributors a much wider choice of programmes. In the case of commercially-supported regional programming, advertisements would either be omitted or "imbedded" in the programme format.

Use of space platforms would be covered by the constraints of international law. But debates at the board of governors of the International Telecommunication Satellite Organisation (Intelsat) recently seemed to suggest that use of a space platform for television would be seen as being for "its domestic telecommunications requirements."

Dramatic technological changes would cause dramatic shifts in television delivery systems that were only now beginning, Dr Smith argued.

Not only would there be a dramatic expansion in teleservices, but national regulation of television and attempts to maintain programme standards would be replaced, to some extent, by regional and global standards.



## More calibre than Cannon Street

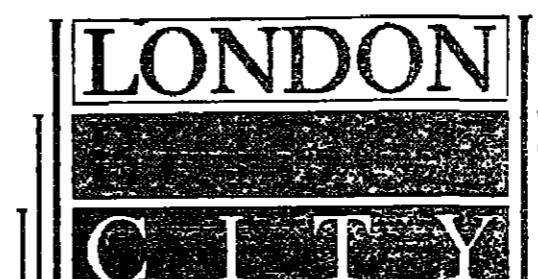
Europe's most dramatic riverside development, just minutes from the Bank with direct access to London Bridge station.

Eleven buildings - including three of London's most impressive office units - linked by a moving pedestrian walkway, and designed for maximum efficiency and flexibility, with computerised management and security systems as well as provision for the office technologies of tomorrow. Ideal for

companies of any size; with units available from 5,000 to 312,000 square feet of usable space.

Living and leisure facilities include apartments, six squash courts, a gym, swimming pool and solarium, traffic-free riverside walkways, squares and gardens and covered parking. Plus shops, restaurants and wine bars in the stunning new Hay's Galleria.

It's guaranteed to fire your enthusiasm.



The bank the City's been waiting for

A development by the St. Martins Property Group

JOINT AGENTS Jones Lang Wootton TEL. 01-638 6040 Baker Harris Saunders TEL. 01-506 5751

## UK NEWS

# Why the CBI is putting the emphasis on self-help

The CBI's seventh annual conference opens next week. John Lloyd reports that a key theme will be a call for a more enterprising Britain



Sir Terence Beckett  
"managers want to show what they can do"

THE Confederation of British Industry, adapting the inaugural address of President Kennedy, is telling its members to ask not what their country can do for them, but what they can do for their country.

"The emphasis is on self-help," says Sir James Cleminson, chairman of Red Circle and Colman, and of the CBI's economic situation committee. "We must review what we are doing and how we may improve before we go to Government and ask for help. A more enterprising Britain that's the key."

It is also one of the main themes of the CBI's seventh annual conference, which opens in Glasgow on Monday. The bracing winds off the Clyde, the old spirit of enterprise in Scotland's Victorian boomtown (later traditions of Red Circle and Colman's own delegates' minds) will give the conference an independent vigour which is the message its leaders want to put across.

Sir Terence Beckett, the CBI director general, sees that spirit manifest everywhere. "Managers," he said last week, drawing on evidence of a survey of the breed, "are not whining and whining. The message is that they want to show what they can do."

The Government has encouraged this view as no other government of modern times. Its political practice remains, in

many sectors, interventionist: but the ideological purity of its desire to quit the marketplace in favour of the entrepreneur and the manager retains its Keith Josephite stamp.

Much of this Government's concern has been, and still is, to ensure that it is concerned with less and less: the nanny state is no longer available to comfort and assist the businessman: it is Victorian values or the Victorian penalty—the poor-house.

But that is only part of it: the message is much more complex than that. Sir Terence says an more given to reflection than to action. Industrialists, admits: "There is a questioning of where we are going with a new government, a worry about strategy, about its medium and long term thinking."

He is likely to reflect that in his Monday speech to the conference, it is certainly reflected in the resolutions for debate—a record number, to be debated by a record number of delegates.

CBI officials think that the conference, the efficacy of which has always been questioned since it began in 1977, may prove itself in Glasgow: it may be doing so because the slack in the system" point is pervasive among those in the CBI ranks who want a lighter touch on the brake.

An active member, chairman

record and, it is hoped, the minds of ministers.

In what does this confusion consist? In part it is a—growth, it would seem—tendency to put the bowl out to the Government and say: "Please, sir, I want some more."

The CBI's South-western regional council wants some more: its resolution to conference believes that "government should introduce more flexible policies and, in particular, should stimulate increased infrastructural spending."

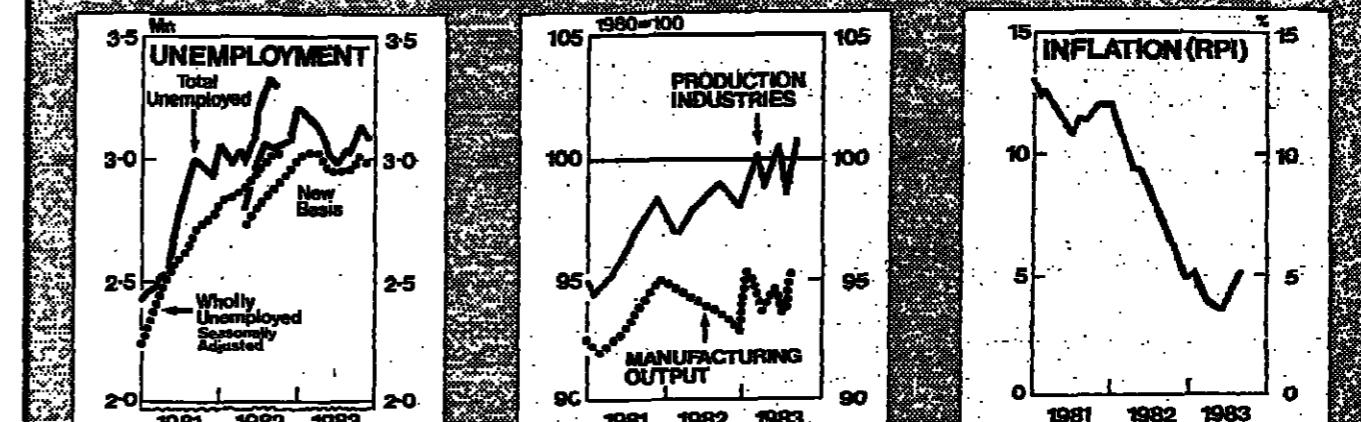
Mr John Gough, chairman of Kleen-Eze Holdings and a member of the regional council, says: "We agree inflation is probably enemy number one, but Government is far too inflexible on the PSBR."

"We feel that even if it can't cut down further on current expenditure, there is still enough slack in the money markets to borrow without sending interest rates or inflation up again."

"I don't think the CBI should be afraid to speak up publicly on this—I think it's been active behind the scenes—but we haven't given enough publicity to it."

The slack in the system" point is pervasive among those in the CBI ranks who want a lighter touch on the brake.

An active member, chairman



company in the north-east, says: "It would be of less risk to a government faced with the problem it has of covering public expenditure in the years ahead given the ongoing changes to relax its anti-inflationary stance by 1.2-1.5 per cent and get that growth."

"If it did, I think it would find a lot of dissatisfaction things coming out of the woodwork—unions would go down as you get more volume—there is enough of that not to mean higher inflation."

The recently-published CBI/British Institute of Management survey, "British Management and the Recession," showed uncomfortably for the CBI's leaders—that a high proportion of the respondents thought that the Government "injecting more money into the economy" was a good idea—second only to reducing the cost of capital.

Sir Terence, who took the finding on the chin said that there was a difference of view between leaders and members: the CBI was not for injecting any amounts of any old kind of money into the economy: it was for a careful expansion of capital spending on infrastructure.

"There is a substantial minority of members which opposes the CBI on this," says the northern engineering member. "It will be interesting to see what effect it has on the policy in Glasgow."

Sir James Cleminson says: "There will be those who want more inflation. But what they must face up to is whether they want to see the Government borrow more—they have to face up to that, and to the consequences of that. Uncertainty and doubt can feed on themselves and make their own predictions come true."

The line, it is thought, will probably be held in Glasgow: but possibly at some cost, and/or with some graceful bunting here and there.

Sir Terence has been a consistent advocate of controlled

extra expenditure, and where he is careful to give CBI's pronouncements and forecasts a general strategy, while remaining critical of its perceived rigidities.

By contrast, the more overtly political pro-government stance taken by the CBI's reformist president, Sir Campbell Fraser, chairman of Campbell Dunlop, is seen as excessive, pushing the CBI too far into a partisan position which could weaken it on a change of government and even as giving it unnecessary credibility problems with its own members and with its natural constituency of business opinion.

Take an (admittedly extreme) example: Mr Parry Mitchell is chairman of United Leasing a recently-gone-public computer leasing company based in central London—he was also an Alliance candidate for Ealing in the last election. Naturally opposed to the Government, he equally naturally tends to see the CBI in the same light.

## Unions wait for a call to talk

THE MAIN reason for the CBI's plainly to have a relationship with Government. It also used to be to have a relationship with organised labour. Now, that relationship is more and more patchy than the recovery itself.

patchy than the recovery itself. It exists in committee form like the National Economic Development Council and the manpower Services Commission (but only in the latter does it amount to anything much); otherwise, the two staffs never walk the few hundred yards across New Oxford Street to exchange views.

For Mr David Lee, the TUC's assistant secretary, the fact that this is so is a paradox. The Government, he and his colleagues believe, is showing equivocal signs of pragmatism in such fields as employment law and regional policy (though remaining, in the TUC's view, hopelessly mired in ideology on privatisation): Why should the CBI remain more "ultra" than the Government, in eschewing reasoned dialogue?

Mr Lee says: "Many employers were glad to see unions on the floor; and there was the view that profits could get up off the floor—where they were too—and leave the unions down there."

"But it's obvious we'll get up together, and that means we'll have to talk. The CBI may be ready for their members to tell them next week in Glasgow that they should do so."

CBI leaders may be waiting to be told to move, he thinks, and to sort out problems nationally. No one is contemplating a high-level deal with the CBI—but, by the early months of 1984, the TUC hopes it might be round a table and working again.

Mr Lee sees this happening through the medium of the NEC's exercises on future jobs, the subject of the next Council meeting.

For the moment, his hopes don't seem to be reciprocated, certainly not publicly. Few members see the TUC as a problem to be dealt with: "we want a relationship with the TUC only when Labour's government or has a chance of forming one," said one—and the senior CBI officials are cautious about predicting a return to the quarterly dinner

meeting.

The consistent theme of recent criticism of the CBI—not just from the TUC—but from

certainly not the TUC—has been that it has been insufficiently willing to criticise a government which, though it may think it better, is an available alternative, has still given industry a rougher time than it deserved.

Glasgow will be a demonstration of how far that criticism has spread among the delegates and how far the leadership thinks it politic to respond to it.

## PROGRESSIVE TECHNOLOGY.



## FOR ENSURING EFFICIENCY.

Technology is the key to development and growth. The commitment to progressive technology ensures that high quality products are created more economically to meet the exacting demands of customers.

At Fiat we are maintaining our record of high investment in technological research and in the development of new manufacturing processes and techniques.

Above all there is a new sense of confidence born of a greater commitment to excellence: a revival of the values of efficiency and cooperation that have been a feature of Fiat's past.

Such are the conditions that are creating our cars, our industrial vehicles, agricultural equipment and trains—a whole range of up-to-the-minute products.

Now, as markets become ever more demanding, Fiat is revitalising all areas of its business to meet the challenge.

ECO

**GROUP FIAT**  
A progressive enterprise at work.

HOLD A  
CONVENTION  
IN THE  
LOCAL  
CHIP SHOP.

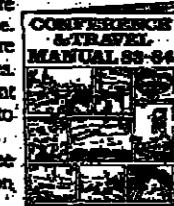
Aston and Birmingham Universities are famous for their chips, the silicon variety of course. But when they're not cooking up new ideas, they're convention centres with facilities for 1,700 delegates.

And they're just two of over 140 different venues you can choose from when you come to Birmingham.

To discover the rest, call us today for your free Conference and Travel Manual. Information Hotline 021-780 4321.

**BIRMINGHAM**  
THE BIG HEART OF ENGLAND

Birmingham Convention & Visitor Bureau



More

SWISS BANK

L'OR

## APPOINTMENTS

## Group chief executive for Glynwed

Sir Leslie Fletcher, chairman of GLYNWED INTERNATIONAL will relinquish his executive responsibilities on January 1. He will hand over to Mr Gareth Davies, deputy chairman and group managing director, who will become group chief executive. Sir Leslie, who will continue as chairman, was earlier this year appointed a deputy chairman of the Standard Chartered Bank and chairman of the Standard Chartered Merchant Bank. Mr Davies joined Glynwed in 1987 and was appointed group managing director in 1980. \*

The Industry Secretary has appointed Mr Christopher Waterhouse chairman of THE ENGLISH INDUSTRIAL ESTATES CORP (EIEC) for a three-year term from November 19 when the present chairman Mr Geoffrey Robinson retires. Mr Waterhouse has been a member of EIEC since August 1980. He is also the chief executive of Waterhouse. \*

Mr Denis Henderson and Sir James Spencer have joined the main board of BARCLAYS BANK. Mr Henderson remains a director of Barclays Bank International and Sir James remains a director of Barclays Bank UK. \*

Mr Owen Green, managing director of CTR and Mr Norman C. Ireland, financial director of HTR, have joined the board of CORNHILL INSURANCES. Mr Ireland takes over as Cornhill's chairman. The appointments result from the resignation of Cornhill directors, Mr D. W. G. Sawyer and Mr D. R. Payne, following BTR's acquisition of Tilling. \*

Mr A. C. Little, managing director of Hammond and Champness, has been appointed chairman of THE NATIONAL ASSOCIATION OF LIFT MAKERS. \*

BURROUGHS Europe-Africa division based in London has appointed Mr Gunnar F. Hesse as director of marketing, a new post. The division has responsibility for all of Burroughs' marketing activities in western and eastern Europe, the Middle East, and Africa. He was previously director of marketing, office automation systems, for the international division of Sperry based in London. \*

SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SOCIETY has appointed Mr A. J. Low as a director. \*

Two directors have been appointed to the board of PICKFORDS' REMOVALS, part of the National Freight Consortium. Mr Brian Hardwidge, formerly personnel manager, is appointed personnel director, and Mr Douglas Chisholm, formerly general manager south-east, is appointed director and general manager. Mr Hardwidge joined Pickfords' part of the department in 1987 and Mr Chisholm joined Pickfords' Glasgow branch in 1987. \*

Mr John Earl Bobbitt has been appointed vice-president, international exploration, of CANADA NORTHWEST ENERGY. He will be based in the company's UK office in London. Mr Bobbitt joined Canada Northwest Energy in August to assist in international exploration and acquisition programmes. In July, Canada Northwest acquired a major interest in Marinex Petroleum, a UK company engaged in oil and gas exploration in onshore England, Spain, Ireland and the U.S. Mr Bobbitt was recently elected to the board of Marinex.

## Moulinex

SALES FOR THE FIRST NINE MONTHS OF 1983

The Group's turnover reached FF1,960 million as at 30 September 1983. On a comparable consolidation basis, it amounted to FF1,514 million for the corresponding period of 1982, i.e. an increase of 8%.

Turnover for Moulinex S.A. France, the parent company, is FF1,632 million against FF1,507 million in 1982, i.e. an increase of 8.3%.

It should be stressed that the analysis of the turnover for the last twelve months shows:

+ 10.7 for the parent company  
+ 11.1 for the Group

## SWISS BANK CORPORATION

ITT ANTILLES N.V.

91% US\$ Bonds 1989

Swiss Bank Corporation, Zurich, announce that the Purchase Fund instalment of Bonds, due 30th September 1983, for a nominal value of US\$2,000,000 has been met by purchases in the market. US\$67,000,000 nominal amount of Bonds will remain outstanding after 30th September, 1983.

6, Paradeplatz 8022 Zurich 4th November 1983

## L'ORÉAL

For the first six months of 1983, the consolidated turnover of L'ORÉAL and of its French and foreign subsidiaries reached FF6.8 billion. On a comparable basis, with the same exchange rate and excluding companies recently included in or excluded from consolidation, progression compared with the first six months of 1982 has reached 16.9%.

The provisional consolidated situation as at 30 June 1983 shows a trading profit of FF60 million against FF56 million as at 30 June 1982, and of the reversion of benefit (after elimination of capital and of the reversion of investment) of FF514 million, against FF282 million as at 30 June 1982.

For the first nine months of 1983, consolidated turnover of L'ORÉAL and of its French and foreign subsidiaries reached FF9.3 billion, as at 30 September 1983 against FF8.18 billion in 1982, and of the reversion of benefit compared with the corresponding period of 1982 reached 16.9%.

Altrincham has been elected to the board of parent company HARRY WEHMILLER ELECTRONICS INC., U.S. with the appointment as vice-president for European operations. He will combine this with his present post. \*

Mr Harry Lomas has retired as operations director of A. KITCHEN-D. WALTER. He is succeeded by Mr R. E. Sanders, production director. The company is part of the J. Brown machine tools division. Mr Lomas remains a consultant to the company, which he helped to found in 1958. \*

Mr Mark Lloyd-Price has been appointed a director of LOMBARD ODEIER INTERNATIONAL PORTFOLIO MANAGEMENT and Mr Patrick Dempsey has been appointed an assistant director. \*

C. T. BOWRING & CO has appointed Mr E. H. E. Hibberd and Mr L. W. Hughes as directors. C. T. Bowering & Co (Insurance) has appointed Mr J. R. Fryer and Mr R. C. E. Wilson as directors. \*

GRANVILLE & CO has appointed Mr David Thavener as an assistant director to be in charge of its new property services division. He was previously with Morgan Grenfell & Co. \*

THE CO-OPERATIVE WHOLE-SALE SOCIETY has expanded the role of its chief accountant's group. The new chief accountant is Mr David Jackson, formerly CWS treasurer. The new group incorporates the functions of the former CWS treasurer's group. Functions in the group include taxation, bureau services, and internal audit. \*

S E A S O P E INSURANCE SERVICES has appointed Mr Christopher Goddard to the board. He will be responsible for the development of the company's credit and political risk insurance business. \*

Mr Abdul Rahim Ali and Mr Abdul Hamid Hussain have been appointed directors of TIN PUBLICATIONS. Mr George Gardner and Mr Paul Newman have resigned from the board. \*

MIDLAND INDUSTRIES has appointed Mr Peter H. F. Burton as group chief executive and member of the main board. He has previously held management positions at Pressed Steel Fisher, BSA Precision Castings and BSA Gun. \*

Mr Morris Bissel and Mr David L. Massie have joined SECURITY PACIFIC INTERNATIONAL LEASING (EUROPE) INC. Mr Bissel joins as deputy controller to the regional management office which directs SPILE's Pan-European leasing operations and Mr Massie joins as vice-president European marketing manager in the major assets group, specialising in manufacturer support programmes. \*

Mr Robin Thorne, a local director of BARCLAYS BANK'S London northern district, has been appointed a local director of Pall Mall district. Mr Philip Warner, senior manager at Barclays' Old Market Square, Nottingham, has been appointed a local director of London northern district. Mr David Lee, a local director of Barclays' Shrewsbury district, has been appointed senior local director there from February 18. \*

Mr Gordon Booth has been appointed a director of TRIDENT TELEVISION. He is already a director of Trident Casinos. \*

Mr Stewart M. Brown, managing director of Barry-Wehmiller,

and was also appointed managing director. \*

Mr Harry Lomas has retired as operations director of A. KITCHEN-D. WALTER. He is succeeded by Mr R. E. Sanders, production director. The company is part of the J. Brown machine tools division. Mr Lomas remains a consultant to the company, which he helped to found in 1958. \*

Mr Mark Lloyd-Price has been appointed a director of LOMBARD ODEIER INTERNATIONAL PORTFOLIO MANAGEMENT and Mr Patrick Dempsey has been appointed an assistant director. \*

Mr A. G. C. Howland Jackson has been appointed a director of GILL & DUFFUS GROUP. Mr Jackson is chief executive of Clarion Pools, the group's wholly owned Lloyd's insurance broking subsidiary. \*

Hamilton Life Assurance and Hamilton Insurance Company (members of the HOUSEHOLD INTERNATIONAL GROUP) have appointed Mr R. H. Headlee (president of Hamilton Life Insurance Company of America) as chairman and the following as directors: Mr C. W. Caldwell (deputy chairman), Mr F. A. de G. J. Down, Mr G. E. Dundas (managing director and chief executive) Mr D. H. Maitland, Mr L. Martindale, Mr G. T. Simpson and Mr R. H. Weston. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Adrian Freakes has been appointed general manager and director and Mr Derek Edwards becomes sales director of TECH. Mr Mike Kingston has been appointed sales director of the Penetone chemicals division of the KALON group. He was with Diversify as business group manager. \*

Mr R. A. L. Phipps has been appointed chief executive of MACWALL ESTATES, a property development company based in Edinburgh. Mr Phipps was previously a main board director of Slough Estates in charge of its development programme. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

Mr Colin Mitchell, formerly general manager, cargo, British Airways, has joined UNITED TRANSPORT COMPANY as a senior executive with special responsibility for the company's forwarding interests. United Transport is a member of the BET Group. \*

## INTERNATIONAL OFFICE EQUIPMENT

William Dawkins on the resilience of the conventional office equipment market

## Americans join the battle for Europe

A BATTLE royal for supremacy in Europe's market for conventional office equipment shows no signs of abating.

The latest skirmish, the agreed £15m bid by Acco World Corporation of the U.S. for Twinlock, the UK market leader in filing and loose-leaf products, is just the latest example of how major U.S. office equipment suppliers are jostling for position on the European stage.

Faced with problems of expansion in a mature market for traditional supplies in the U.S., they have preferred instead to take over their smaller European counterparts, some of which have positively welcomed these transatlantic overtures.

Such acquisitions as Acco-Twinlock do not, at least, the third in recent years, represent the most effective way for U.S. office equipment giants to gain access to European distribution networks which they would find hard to tap independently.

The trade is dominated by a fragmented collection of dealers, who tend to be fiercely loyal to the producers with whom they have done business for years. So Acco and others have taken over producers at least partly to get to the dealers' contracts.

The main benefit of the deal that gives us better European distribution," says Michael Hindmarch, director of finance and administration for Acco Europe.

The group, which makes storage equipment and paper fastening devices, has five subsidiaries in Europe—not including Twinlock—accounting for a fifth of group sales of £104m. Group profits last year were £21.1m.

Twinlock, one third of whose sales of £31.5m last year were outside the UK, was glad to accept because it lacked the financial resources to take advantage of the European and

U.S. marketing opportunities which Acco could offer.

At the same time, Acco needed a European foothold for its high technology office products. "Both of us have a background of longstanding product lines which gives us a good basis for expansion into computer-related products in Europe," says Mr Hindmarch.

That market is growing at a vigorous 20 per cent annually, according to industry estimates, but the expansion is from a very small base. "Most of the activity at the computer end is really putting on bread and butter for 20 years hence," he explains.

Indeed, one of Europe's chief attractions for companies like Acco is the resilience of its market for the conventional supplies which have been the backbone of their product unit recently.

Only two years ago, it seemed



for hard copy is still a widespread sentiment."

Meanwhile, the increasing cheapness and efficiency of photocopies has added to the paper avalanche in Europe.

According to industry estimates, Europe's photocopies have increased by a combined total of 165m sheets of paper in the past year, while non-photocopying office printing machines produced a similar figure.

All this has had a major knock-on effect on office supply sales. "It's a major factor in that market's expansion," says Mr Jack Summerscale, of stockbrokers De Zoets & Bevan.

For firms making paper reports and the equipment needed to store them redundant, business computers have been churning out an avalanche of paperwork. If anything, they have intensified the need for conventional products like filing cabinets and binders.

At the same time, many executives and office workers are insisting on a paper back-up because they distrust electronic storage on disks and cassettes.

"Old habits die hard," says Mr George Goode, Twinlock's chief executive. "Thank God

"Even if only a quarter of all the copies produced ends up in a filing cabinet, quite a lot of space needs to be found," says Mr Summerscale.

To take one example, the National Westminster Bank bought 3,500 filing cabinets last year for its UK head office and branches. Laid side to side, they would stretch for nearly a mile and cover almost 7,500 sq ft. At prime City rents of £50 per sq ft, they would occupy a space worth more than £200,000 a year.

The economics of that calculation would seem to spell immediate death for the traditional office supplies market.

"Yet we can see that even some of the larger firms are failing to take full advantage of the new technology," says Mr Sydney Smith, marketing manager for Vickers Furniture, which is a subsidiary of Europe's leading office equipment.

ment manufacturer, with a turnover of more than £60m.

"We cannot supply the thirst of demand for conventional products. When one compares a mundane old filing cabinet with the alternative, one wonders where it is all coming from. It seems staggering."

Despite the cost savings that could be achieved by throwing out bulky old equipment, many company buyers cite cost as a major reason for not doing so. "Filing cabinets may take up more floor space but they are still the cheapest form of filing records in terms of unit cost," claims Mr Jim Bright, marketing manager for G. A. Harvey's Office Furniture, NatWest's Office Furniture.

The sheer muscle that emerges like these has created put pressure on smaller companies to seek protection.

One result of this is the formation of a local manufacturer of automated storage mezzanine starting with a business computer for around £5,000.

A four-drawer filing cabinet costs around £130, while an electronic storage mezzanine starting with a business computer for around £5,000.

But however much buoyancy these factors create in the European office supplies market, non-European companies will still find it hard to get a foothold without owning a local manufacturer.

It was precisely that thought which motivated Steelcase of the U.S., the world's largest office furniture manufacturing company, with a turnover of \$1bn, to acquire 50 per cent stake in Strafor—the largest filing products maker in France—two years ago. The group's European sales are currently \$200m.

"Our motive in linking up with Strafor in Europe was market penetration," says Mr Neville Osirin, manager of Steelcase Strafor (UK). "It was also a question of access to channels of distribution. It just is not possible to sell in Germany or France without German or French distribution."

Similar motives lay behind

the acquisition in 1981 of Ofex, the UK manufacturer of binders, files and staplers, by Gallagher, a subsidiary of American Brands, the U.S. tobacco giant.

Nor has acquisitive interest in local suppliers and manufacturers been confined to U.S. multinationals. Esselte of Sweden, the world's largest office equipment manufacturer, with a turnover of SKr 6.5bn (£250m), took over Dyno, the Californian-based label printer company five years ago because it had access to Dyno's European outlets for its own office products.

The sheer muscle that emerges like these has created put pressure on smaller companies to seek protection. One result of this is the formation of a local manufacturer of automated storage mezzanine starting with a business computer for around £5,000.

The founders were Atlanta Hoogendoorn—the third size of Twinklock in sales terms, but still the largest filing products manufacturer in the Netherlands—Setten and Durward, which makes computer related filing equipment in the UK.

The group now includes members from France, Italy and West Germany. S and D and Atlanta already use each other for distribution. Other members occasionally trade with one another at advantageous prices. They are currently considering arranging joint purchases of raw materials.

The next logical development for the consortium may be to consolidate into another state of mergers as one way of consolidating the trading power it aims to achieve. So the rationalisation which has taken place among the larger office supply groups could well begin to filter down to the minnows of the industry.

## CONTRACTS

## NatWest orders £3m ICL cheque printers

ICL computer and laser printing equipment worth £3m has been ordered by the National Westminster Bank, and its four security printers. ICL is also developing software to provide a computer controlled cheque printing system, EPOCH. ICL's banking contract initially involves the linking of two of its medium size MEC29 mainframe computers to two laser and ICL laser printers at the bank's headquarters in London.

Following the completion of this installation, two MEC29s and two laser printers will be installed at each of four security printers, these having recently gained contracts to print cheque books for the bank. The system is scheduled for completion early in the spring.

RUSH AND TOMPINKS has won orders worth £25m in the north east. Contracts include a £1.2m phase II administration block for the Central Electricity Generating Board at Hartlepool power station. The work covers the second phase of a new administration building which will provide a 15,000 sq ft office space in two storeys, and will be built in a "U" shape linking to each end of the existing first phase, creating an internal landscaped courtyard area. It is expected to take 68 weeks to complete.

Rush and Tompkins has also started a £350,000 contract for a two-storey administration building with basement for the Borough of Hartlepool. The building which will be built over 52 weeks, will provide a two-storey steel framed structure which will be brick clad. At Collingwood Street, Newcastle, work has started on a 23 week programme to refurbish the site of the former Royal House of West End and Metropolitan Estates at a cost of £260,000.

BRINGGREEN HOLDINGS, a subsidiary company, Bringgreen Enviro, has been awarded the contract for the cleaning of three hospitals in the State of Qatar. The contract, which commences on November 28, is worth approximately £1m over its three-year period.

## FT LAW REPORTS

## No bankruptcy rules where company pays its debts

RE LINES BROS LTD  
Chancery Division: Mr Justice Mervyn Davies: October 28 1983.

WHERE A COMPANY PAYS ALL ITS DEBTS AND MEETS ALL ITS LIABILITIES EXISTING AT THE COMMENCEMENT OF WINDING UP, IT IS SOLVENT FOR THE PURPOSE OF POST-LIQUIDATION DISTRIBUTION OF SURPLUS ASSETS, THOUGH THE INITIAL BASIS FOR WINDING UP WAS INSOLVENCY; AND ACCORDINGLY THEY ARE NOT ENTITLED TO THE POST-LIQUIDATION INTEREST PAYABLE TO CREDITORS OF AN INSOLVENT COMPANY UNDER THE BANKRUPTCY RULES, IRRESPECTIVE OF WHETHER THEY WERE CONTRACTUALLY ENTITLED TO INTEREST ON THEIR LOANS.

Mr Justice Mervyn Davies said when giving directions on the liquidation of the liquidator of Lloyds Ltd, he had to decide if all its creditors were entitled to payment of statutory post liquidation interest on their debts pursuant to the rules of bankruptcy. The respondents to the application were creditors, Lloyds Bank International and Hayley Bros Ltd.

Section 317 of the Companies Act 1948 provides: "In the winding up of an insolvent company . . . the same rules shall prevail . . . as are in force for the time being under the law of bankruptcy . . ."

Section 318 of the Bankruptcy Act 1914 provides: "In the winding up of any company . . . whose assets may prove to be insufficient for the payment of its debts and liabilities . . . the same rules shall prevail . . . as are in force for the time being under the law of bankruptcy . . ."

Mr Justice Mervyn Davies said that in 1967 Lloyds lent Lines 18.5m Swiss francs at interest. On September 28 1971 when that debt unpaid and some interest in arrears, Lines was placed in credit with voluntary liquidation. Hamley also was a creditor. Its claim was in sterling and was not interest bearing.

No declaration of solvency was filed and debts proved in the winding up were not paid full, including debts on the interest bearing debts, up to the date of the winding up resolution.

The amount available to meet post liquidation contractual interest claims was £1.9m where as the required sum was £2m. The £1.9m would, however, be sufficient to pay post liquidation statutory interest at 4 per cent pursuant to section 31(8) of the Bankruptcy Act 1914, leaving a surplus of about £20,500.

It was said on the one hand that the £1.9m was to be applied in the reduction of interest bearing debts, from September 28 1971 onwards, is in payment of post liquidation contractual interest.

On the other hand it was said the £1.9m was to be applied in paying post liquidation statutory interest at 4 per cent on all the debts, pursuant to section 31(8).

The question was whether the liquidators were engaged "in the winding up of an insolvent company" within section 317 of the Companies Act 1948.

What had to be considered, therefore, was what was meant

by "debts and liabilities" in section 10.

Statutory interest was not a "debt or liability" within section 10 because a liquidator's obligation under section 31(8) to pay interest out of surplus was pursuant to a statutory direction made to him. Also, it was not right to consider "insolvency" (or insolvent) by reference to section 31(8) because that was to assume that the section applied. One must decide whether the company was insolvent before taking account of rules which would apply if it were.

Nor was post liquidation contractual interest a debt or liability within section 10.

Observations made in *Hamer (1869) Ch App 643-646, 647* and *Denton (1901) Ch 307, 315* led to the conclusion that the company was insolvent if the assets did not admit of paying the debts as they existed at the date of the winding up, and was solvent if, when such debts were paid, there was a surplus.

If there was a surplus, the post liquidation interest creditor had rights under the contract but those rights were against a solvent company.

Section 10 did not use the words "solvency" or "insolvency" to the same effect. Mr Parker for the non-interest creditors argued that the words "debts and liabilities" in section 10 were not used on Whitaker (1904) 1 Ch 290. That did not concern winding up. It concerned the administration of the estate of a deceased insolvent and could not, in the light of *Fise, Rolls-Royce and Oldham*, stand as a guide to the meaning of "insolvency" with regard to winding up.

The basis of the decisions in *Fise, Rolls-Royce and Oldham* was that a company was not insolvent "within section 317" once its debts and liabilities existing at the date of the commencement of the winding up had been paid in full. It concerned the position at the commencement of the winding up.

Rolls-Royce seemed to be authority for the proposition that the winding up of a company put into creditors voluntary liquidation but later paid in full, was insolvent "within section 317".

Mr Parker said that *Fise, Rolls-Royce and Oldham* distinguished between a present and a past position. So the present case, in which they did not give rise to a competition between classes of creditors, in *Oldham* and *Fise*, the competition was as between creditors and shareholders.

That distinguishing feature was of no importance if regard was had to the date only to the question whether Lines was "insolvent" within section 317.

Neither the interest creditors nor the non-interest creditors were entitled to payment of interest on their debts pursuant to section 31(8).

For the liquidator: David Graham QC, Robina Potts QC and Martin Moore (Simmons and Simmons).

For *Lloyd's*: William Shattock QC and Mary Arden (Cameron Marbury).

For *Hamley*: Jonathan Parker QC and Christopher Heath (D. J. Freeman and Co.).

By Rachel Davies, Barrister

Fairy tales can come true.

There's a little magic in every glass of Martini Dry. In its clean, fresh taste. In its unique blend of the choicest wines and herbs. But most magical of all, it doesn't have to disappear at midnight.

MARTINI

MAISON ET FILS  
REGISTRED TRADE MARK

Jed in 11/8

## THE ARTS

## Opera and Ballet

LONDON

Royal Opera House, Covent Garden: The new production of Mussorgsky's *Boris Godunov* in its original version is by Soviet film director Andrei Tarkovsky. Claudio Abbado conducts. The cast (which includes Agnes Haugland, Eva Randova, Gwynne Howell, Mikhail Svetov, and Philip Langridge) is led by Robert Lloyd in the title role (2401068).

English National Opera, Coliseum: The new production of *The Valkyrie*, a curtain's egg, offers some exciting stage pictures, and fiery performances. Daniele Gatti, Rostropovitch, Alberto Remedios, and Willard White. Mark Elder conducts. The *Tales of Hoffmann* of ENO's most reliable string of performances, returns with a largely new cast, including John Trebilcot as Hoffmann. Last performance of Monteverdi's *Orfeo*, a controversial but heartfelt achievement (835161).

Royal Opera House, Covent Garden: The new Royal Ballet triple bill includes *Nureyev's The Tumpest* from last season (2401068).

Deutsche Oper's circus of contemporary dance continues at various London sites, including Riverside Studios, which is visited by the American experimentalist Trisha Brown (Tue and Wed).

NEW YORK

Metropolitan Opera (Opera House): The seventh week of the centenary

season features Don Giovanni with James Morris in the title role, and Edita Moser as Donna Anna, conducted by Jeffrey Tate, with La Bohème, La Traviata, and Peter Grimes. Lincoln Center (880930).

New York City Opera (New York State Theatre): Ariadne and Nexus, Tosca, Madame Butterfly, and *Cunning Little Vixen*. Lincoln Center (8705370).

The Student Prince Light Opera of Manhattan: William Mount-Burke's production turns Sigismund Romberg's Heidelberg into a lively backdrop for Prince Karl's first performance of *Kathie* (Ends Nov 20).

WASHINGTON

Washington Opera (Opera House): Così fan Tutte, Rigoletto. Kennedy Center (2543770).

PARIS

Marieke Kogel: A musical epic about the Devil. Théâtre de Caen/Orléans (777815).

Madame Butterfly conducted by Alain Lombard in a Teatro Communale di Firenze production with Raina Kabaivanska in the title role. The production alternates with Glazunov's *Ballar* Raymondi in a new production with René Mazzoni's choreography, musical direction, Mariano Petrucci, and costumes by Nicholas Georgiadis, conducted by Michel Serafin/Michel Quenat at the Paris Opera (2665022).

Vive Offenbach conducted by John Burden, produced by Robert

season features Don Giovanni with James Morris in the title role, and Edita Moser as Donna Anna, conducted by Jeffrey Tate, with La Bohème, La Traviata, and Peter Grimes. Lincoln Center (880930).

Berlin Deutsche Oper: The week starts with Don Carlos, sung in Italian, with Pilar Lorengar brilliant in the part of Elisabeth. At the occasion of this year's Wagner anniversary, Tannhäuser is presented with Gwyneth Jones and Harald Stamm in the main parts. Madame Butterfly is perfectly cast with Helga Walenska and Franco Tagliavini. Also on performance, Tosca, first interpretation by Janis Martin in the title role, as well as der Turke in Italian. Hamburg Staatsoper Hanna Schwarz does justice to the title role in Carmen. Also in honour of this year's Wagner celebrations, Parsifal is offered this week with Wagner specialist René Kollo and Leonore Kylian, as well as for her rendition of Kundry. Giovanna d'Arco, one of Verdi's less well known, but well presented in a concert version, is presented this month. Outstanding Margaret Price and Richard Curtis are singing the leading parts. There was much acclaim for Alexander Zemlinsky's two operas "Eine florentine Tragödie" and "Der Geburtstag der Infanta", which reappeared on the German stage after a long absence. The Magic Flute rounds off the week.

Frankfurt Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

Dhéry at the Opéra Comique (2980611).

WEST GERMANY

Berlin Deutsche Oper: The week starts with Don Carlos, sung in Italian, with Pilar Lorengar brilliant in the part of Elisabeth. At the occasion of this year's Wagner anniversary, Tannhäuser is presented with Gwyneth Jones and Harald Stamm in the main parts. Madame Butterfly is perfectly cast with Helga Walenska and Franco Tagliavini. Also on performance, Tosca, first interpretation by Janis Martin in the title role, as well as der Turke in Italian. Hamburg Staatsoper Hanna Schwarz does justice to the title role in Carmen. Also in honour of this year's Wagner celebrations, Parsifal is offered this week with Wagner specialist René Kollo and Leonore Kylian, as well as for her rendition of Kundry. Giovanna d'Arco, one of Verdi's less well known, but well presented in a concert version, is presented this month. Outstanding Margaret Price and Richard Curtis are singing the leading parts. There was much acclaim for Alexander Zemlinsky's two operas "Eine florentine Tragödie" and "Der Geburtstag der Infanta", which reappeared on the German stage after a long absence. The Magic Flute rounds off the week.

Munich: Opera: A ballet evening devoted to music by Maurice Ravel is jointly choreographed by Ferenc Baranyi, George Balanchine and Maurice Bejart (Wed).

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich Bayerische Staatsoper: Don Giovanni, sung in Italian, has fine interpretation with Barbara Fritsch in the leading role. Otello is of respectable standard with Vladimir Atanow in the title role. Die Lustigen Weiber von Windsor and Ariadne auf Naxos are both Wolfgang Sawallisch productions. The latter is worth a visit because of brilliant Leon Tomow-Sintow in the leading role.

Munich: Opera: A ballet evening devoted to music by Maurice Ravel is jointly choreographed by Ferenc Baranyi, George Balanchine and Maurice Bejart (Wed).

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.

Munich: Opera: Die Entführung aus dem Serail has a complete new cast with Hildegard Hellebrecht and Rudolf Mazzola. Der Fliegende Holländer

does justice to the title role. Manon Lescaut convinces fans of Nelly Miricioiu in the title role. La Traviata is conducted by the young American conductor Judith Sonogni.



## POLITICS TODAY

# The Treasury's trial balloon

By Malcolm Rutherford

A SENIOR Cabinet Minister is now taking bets that Mrs Thatcher will break the political records by becoming the first British Prime Minister this century to win three general elections in a row.

I think he's wrong. Much the more sensible course would be for Mrs Thatcher to retire gracefully in a couple of years or so, having accomplished at least something of what she set out to do. The fact that Prime Ministers do not normally voluntarily relinquish power—the now Lord Wilson is the exception—is not in itself sufficient evidence that this one will stay on for more than a decade. Surely the lesson is to go with the going is good, so that a successor can be established well before the next general election.

Yet in another way he is right. The prospects for this government would indeed be better than the chapter of accidents of the last few weeks suggests. While everyone has been looking at Mr Parkinson, Grenada

**Maybe the turning point is being reached**

and cruise missiles, something else has been becoming clear: the economy may be recovering. The political consequences of that could be profound.

Take first the latest evidence from the Confederation of British Industry, which holds its annual conference in Glasgow next week. It would be hard to read its latest Trends Survey without coming to the conclusion that there is at least some evidence of a steady resumption of business confidence throughout this year.

Here are some examples. The number of companies reporting a rise in costs per unit of output is the lowest for 20 years. Again, as many as 34 per cent of respondents expect to raise investment in plant and machinery in the next 12 months. Only 22 per cent expect a decrease. There is an appreciable rise in expectations about export orders. The recovery, which started at the consumer goods level, may be spreading to the capital goods sector.

And if the CBI's unemployed



John Moore, Financial Secretary to the Treasury (left), and Chancellor of the Exchequer Nigel Lawson

House on October 20 said, in less detailed form, have been repeated in the House of Commons.

The Chancellor wishes to maintain the downward pressure on inflation "that the aim is price stability," he said. People laughed at his predecessor Sir Geoffrey Howe, when he said much the same thing, but they were proved wrong. Inflation did continue to fall. It is not self-evident that Mr Lawson will continue to do less well in this particular aim. Possible expectations are beginning to change.

The second aim is to stick to the already established targets for public expenditure over the next few years. There are still some battles to come, perhaps especially over defence.

But again there is no reason to believe, on the basis of past evidence, that the Treasury will not win. It is worth remembering that the now Sir John Major, the then Secretary of State for Defence, was disenchanted with what he saw as the Prime Minister's over defence spending. The bulk of the evidence of the Thatcher administration is that the Treasury gets tougher. Those who argue with it tend to lose.

The third aim is the reduction of taxation before the next election. If revenues turn out to be more buoyant than expected, that will be a bonus to be given away in greater tax cuts. It will not be an excuse for increasing public expenditure.

On the face of it, it must have been one of the most devastating speeches by a Treasury Minister for some time. All the tough language was there: not all of the

nationalised industries have "natural monopolies," "poor performance," "the heart of the matter" is that a nationalised industry does not have to succeed in order to survive," and finally, "no state monopoly is sacrosanct."

Some of the more vivid parts of it would have gone down well at a Tory Party Conference. For instance: "It has always struck me as rather revealing that the phone numbers of British Gas showrooms are not listed in public telephone directories and it is impossible for customers to obtain them. Would it be conceivable for Cunard or Comet to run their business in this way?"

Looked at more closely, however, the speech was remarkably short on specifics. It was also distinctly populist and it was very little about precisely which state enterprises should be privatised and how. Regard it as a trial balloon.

That is the government's dilemma. It hasn't yet decided how much further to go down the privatisation path. It is embarrassed by accusations that all it is doing to British Telecom is transferring a monopoly from the public to the private sector, though it hopes that new technologies will help to diversify competition. But it is not quite sure what to do next and is still involved in some of the old familiar problems, like how to fund existing state industries.

Yet if those are the broad outlines, it will be generally agreed to, there is another matter on which the government is so far much less decisive. That is: the reduction of inflation and the control of public spending enough for a self-sustaining recovery? Mr Lawson has said they are not. There must be much more emphasis on strengthening market forces and increasing competition.

Thus the speech by Mr John Moore, the Financial Secretary to the Treasury, to a group of London stockbrokers this week was of more usual interest. It was called "Why privatisate?" and was clearly intended to give the case in favour.

On the face of it, it must have been one of the most devastating speeches by a Treasury Minister for some time. All the tough language was there: not all of the

say: "But perhaps we, as a radical government, ought to be contemplating the possibility that Britain, or at least the state, should go out of aero-engines altogether, without any great loss?" The problem has not yet been resolved, and perhaps the most likely answer is that Rolls-Royce will be given about half the money that it wants: another not unfamiliar compromise.

Mr Moore argued—and there is no reason to believe that he was not representing the Chancellor's voice—that every successive government attempted to improve the control mechanism over the nationalised industries had failed. "Governments of either major party," he said, "have attempted to compensate for the lack of market forces by imposing surrogate market forces on the industries." But none of them had provided a long term solution.

**More emphasis on strengthening market forces**

How far the present government will cope remains an open question, and perhaps there is no final answer. But it is facing up to the problem, and there are four years to go. The pity is that the Conservative Party did not put it more plainly in its election manifesto. For one of the nationalised industries on which Mr Moore has the strongest case is coal.

It is in no sense a natural monopoly. It would make both economic and social sense to privatisate the pits. But that one is told, is out of the question until after the next election.

Meanwhile, the most likely candidates are a bit of BL, the royal ordnance factories, the warship building part of British Shipbuilders, and some airports.

Still, even if the least radical

side of the government prevails

and the emphasis remains only

on controlling inflation and

public expenditure, there could

be a major shift in the way people look at the state and the economy by 1988.

# 'We have to go on or opt out'

By Geoffrey Owen

"IF WE don't support this project, it will be the end of the British industry." This has been the clinching argument which has persuaded Ministers over the past 25 years to invest public money in a succession of uncommercial civil aircraft and aero-engines between 1945 and 1974, receipts to only £1.2m.

Why has so much public money been invested in a sector which has shown consistently poor returns? Part of the answer lies in what Hayward calls the institutional commitment to aerospace, greatly strengthened by the creation of the Ministry of Aviation in 1958. "The MoA was a formidable, sectionally orientated department, staffed by experts and technological enthusiasts, willing and able to promote the interests of the industry."

Concorde was a massive commercial failure. Yet the case for it, as put to the Cabinet in 1961 by Mr Duncan Sandy, Minister of Aviation, was: "If we do not go in for the next generation of civil aircraft, we might as well pack up the British industry. We have to go on or opt out." Another Minister, Mr Julian Amery, told the House of Commons that without the supersonic airliner "our industry would slip back from the front rank of aircraft constructors and that would have a serious effect on the economy of this country."

It was much the same with the RB-211, which led directly to the bankruptcy of Rolls-Royce. The management believed that without the RB-211 and an American order, "Rolls would have very rapidly run downhill to the point where the company would hardly have been viable." The chairman said: "Building a new engine would not guarantee it stayed in business. Not building one would certainly guarantee that we went out of business." The pessimistic view of Rolls' future without the RB-211 was questioned later, but in 1967, when the crucial decisions were taken, Mr Tony Benn, Minister of Technology "accepted the basic argument that without the RB-211 there would be no future for the British aerospace industry."

For Mr Keith Hayward, from whose book these examples are quoted, the surprising thing is that politicians still cling to the need to present their actions in this field as being commercially sensible. Only two post-war civil projects, the Viscount and the Dart engine, have repaid the public funds invested in them. A study made in 1974 showed that, against government con-

**Letters to the Editor****Car price difference in the EEC**

From the President of the Society of Motor Manufacturers and Traders

Sir—Mr Crowther (October 28) claimed that motor manufacturers charge "unjustifiably high prices" for cars in Britain. The EEC's Economic and Social Committee (ESC) in its recently published Opinion on Motor Vehicles, Distribution and Servicing Agreements noted that "prices vary considerably from time to time and from area to area in the EEC." However, the ESC attributed these price differences largely to price controls in certain member states and the failure to complete the process of European integration, particularly in the fiscal and monetary fields. The Commission itself has recognised that prices cannot be harmonised where there are price controls or where motor vehicle taxes are particularly severe.

The motor industry contends that a common market in cars cannot be created for as long as differences exist in national governments' fiscal and economic policies, and for as long as exchange rates fluctuate between EEC member countries.

**Crop from an FT's page**

From Mr D. A. Rees

Sir—We were pleased to read of your correspondent's experiment with using copies of the "Financial Times" to time the "Financial Times" for her runner beans (Letters, October 28). As a long time supplier of newsprint to your publication, we take a modest pride in her success.

May we venture to suggest that the quality which distinguishes the "Financial Times" is the eminence of the printed word upon the page. Having first enjoyed that, the quality which then assisted your correspondent's remarkable crop was that of the page itself.

Your readers may be interested to know that the ecological end-use of newsprint as a moisture retaining material for the soil is slowly growing. The fact that in many cases a proportion of the pulp from which it was made came itself from recycled newsprint means that the loop has been closed with a small pincushion along the way.

D. A. Rees, Secretary,

Bowater Corporation,

Bowater House,

Knightbridge, SW1.

**Civilised behaviour**

From Mr Berthold Goldman

Sir—I read with great interest

Mr Hermann's paper on the

**Sharing out the profits**

From Mr D. Wallace Bell

Sir—Over the past few years the management of many firms have argued that owing to their low levels of profitability or often their overall losses, they could not afford wage increases which kept up with the cost of living, and this has generally been accepted, however reluctantly, by their employees. Now that profit levels in many companies are improving, sometimes if only because they no longer have to meet heavy redundancy costs, they are liable in the next wage round to face demands for rises to bring wages back to their previous levels in relation to the cost of living, and in other firms the argument of "comparability" would doubtless be renewed.

The danger is of course that this path would lead to a new spiral of inflation and recession. And it has to be accepted also that those who are in employment have the burden of maintaining goods and services they might otherwise themselves be enjoying the 3m who are unemployed.

George Turnbull,

Forbes House,

Holles Street, SW1.

**Money for the job**

From Mr P. M. Brown

Sir—Like most small businesses we are pleased to know that the Treasury is insisting on two vital suggestions in the Megaw Commission's report on Civil Service pay comparators: that they should be exclusively private sector and include a substantial number of smaller companies.

As statistician on private sector rewards are needed by March, we would suggest that the Office of Manpower Economics should seek such comparative information, or information sources, from the up-to-date information on existing data banks.

This will save time, money and trouble. From our contracts with 600 data supplying employers, we would guess that, subject to security on earnings by named individuals, they would be very willing to assist in implementing Megaw's recommendations of which they heartily approve.

P. M. Brown,

Director of the

Regional Surveys,

1 Mill Street, Staffordshire.

From the Director of the Crucible Theatre, Sheffield

Sir—In your two articles on

the arts recently, you rightly praise the Pricewaterhouse report for its support of the idea that the are more underfunded, but perhaps don't give enough consideration to just how disturbing is the idea that the government should take over the funding of certain bodies direct.

P. M. Brown,

Director of the

Regional Surveys,

1 Mill Street, Staffordshire.

From Mr Berthold Goldman

Sir—I read with great interest

Mr Hermann's paper on the

Nevertheless it is right and fair that employees who by their past sacrifices and current efforts have contributed to their firm's survival and now renewed prosperity, should share some of the benefit. Experience shows that this can often be achieved in a mutually acceptable way by having, in addition to negotiated wage rates, a well designed profit sharing or other gain sharing plan. And in companies where it is practicable, if this can be paid, or better still the option be provided for it to be taken, in the form of shares under the provisions of the 1978 and subsequent Finance Acts, it also gives the opportunity for employees to share in the firm's future prosperity through capital appreciation. This is certainly the time when many more companies should be taking seriously about profit sharing.

D. Wallace Bell.

Director,

Industrial Participation

Association,

85, Tooley Street, SE1

This proposal is to be seen together with the decision to disband the metropolitan councils, to fully comprehend the threat to future arts funding.

There are many regional theatre organisations, including ours, who stand to lose considerable subsidy when the metropolitan boroughs are demolished. Only one of these, the Royal Exchange, has been named to be "rescued" by the government: perhaps the next step is for this too to be funded directly.

Despite the increase in the proportion of non-smoking seats on trains and aircraft, it is becoming increasingly difficult to get in to the non-smoker. Moreover, many of the travellers in the non-smoking section admit that they are smokers but object to smoking "en masse." In short, it may well be that seven out of 10 smokers do object to other people smoking!

Michael Colston.

PO Box 15, Henley-on-Thames,

Oxfordshire.

Funding of the arts

From the Director of the Crucible Theatre, Sheffield

Sir—In your two articles on the arts recently, you rightly praise the Pricewaterhouse report for its support of the idea that the are more underfunded, but perhaps don't give enough consideration to just how disturbing is the idea that the government should take over the funding of certain bodies direct.

Clare Venables,

Norfolk Street,

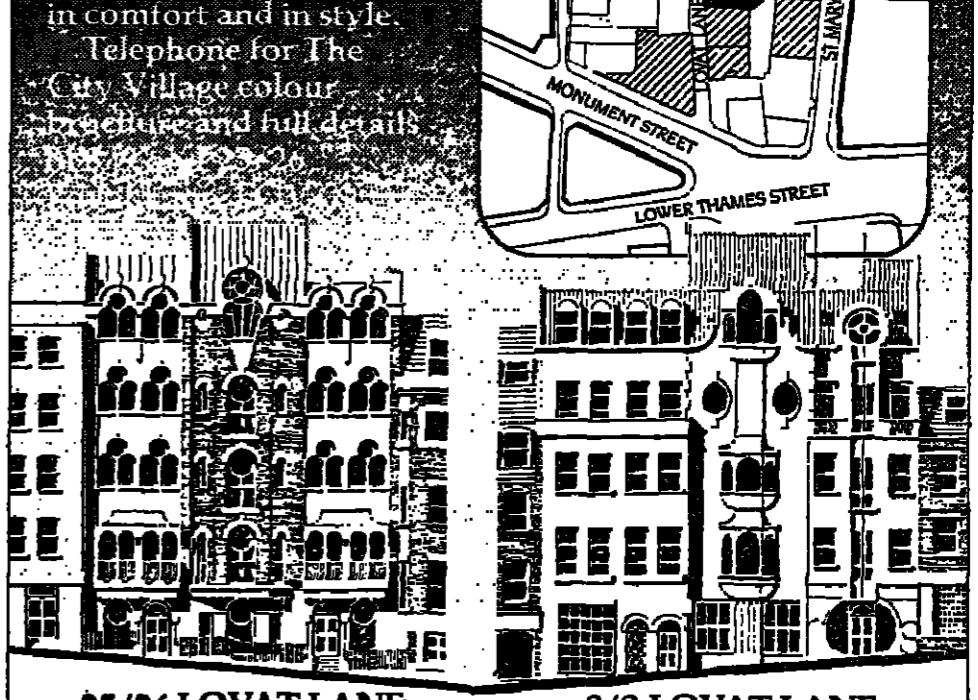
Sheffield.

# BE FIRST IN The City Village LONDON EC3

The first two office buildings are now ready for immediate occupation. Designed for the smaller business, and completely self-contained.

Now you can work in the heart of the City in comfort and in style.

Telephone for The City Village colour brochure and full details.



25/26 LOVAT LANE

8/9 LOVAT LANE

Jones Lang Wootton Chartered Surveyors

Robert Cundt & Co. Chartered Surveyors

Collier & Modge Chartered Surveyors

Tel: 01-638 6040 Tel: 01-236 4606 Tel: 01-353 961

Friday November 4 1983

## Dutch police to escalate public pay campaign

By Walter Ellis in Amsterdam

THE DUTCH Police Federation yesterday announced that it would begin a series of work-to-rule actions next Monday if the Government did not relent on its undertaking to reduce public sector pay by either 3 per cent or 3.5 per cent from January 1.

The implied threat to public safety and order represents a further escalation of the anti-government campaign, and Mr Frederik Korthals Aljes, the Justice Minister, immediately applied for a court injunction to prevent the work-to-rule from going ahead.

Civil service unions were meanwhile discussing how best to step up their protest but appeared ready to stage an initial series of national strikes lasting between 24 and 48 hours.

From Monday, due to a planned series of strikes in sorting offices, there are to be no more deliveries of mail in the Netherlands. Post office and telecommunications workers are already operating a work-to-rule, which has upset the international telephone and National Grid systems.

Increased action in this area could prove crucial to the union's plans, which are aimed directly at the heart of government policy.

Many demonstrations were held throughout the country yesterday. Some towns and cities were without public transport, and this will continue until the weekend.

Mr Koos Rietkerk, the Home Affairs and Civil Service Minister, was prevented by an angry crowd of officials from leaving Government House during a visit to the province of North Brabant.

The strikes and other forms of industrial action are rapidly building in intensity and represent the most serious challenge to any Dutch Government's economic strategy since the early 1980s. If the civil servants do embark on a sustained programme of disruption, ending in a prolonged national strike, the struggle is bound to be bitter and to leave its mark on wage negotiations for years to come.

The cuts are central to the Government's medium-term economic strategy of reducing the size of the growing budget deficit. This year the deficit is expected to be around 11.5 per cent. The target for 1986 - contingent on more public sector pay cuts over the next two years - is 7.4 per cent.

Mr Ruud Lubbers, the Christian Democrat Prime Minister, and his more hard-line coalition partners in the Liberal Party are already divided on the issue.

The Liberals want social security payments to be cut next year by a greater margin than has been finally agreed for public sector wages, but the Christian Democrats wish to maintain a close correspondence between the two.

An emergency debate was due to be held in parliament last night, with the opposition Labour Party determined to force the Government to make concessions.

Mr Rietkerk may feel that he has made all the concessions he can without abandoning his policy altogether. He told union negotiators on Wednesday that he would be prepared to reduce the cuts from 3.5 per cent to 3 per cent in return for their co-operation.

He said that the effect of a 3 per cent cut in gross salaries would be to leave the net incomes of those earning less than £17,000 (\$23,600) a year almost unchanged, as social premiums, as well as most benefits, are scheduled to be cut from January 1.

The unions were unconvinced. They argued that the Minister could not disguise the fact that a wage was still coupled with inflation - now running at an annual rate of 2.5 per cent - would leave their members worse off than at present. And with income tax set to rise, the effect overall would be worse again, they said.

## Rumsfeld becomes new U.S. Mid-East envoy

By REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT Ronald Reagan yesterday appointed Mr Donald Rumsfeld, a former Secretary of Defense between 1975 to 1977 under President Gerald Ford, and has also served as a Republican congressman, U.S. ambassador to NATO, and Mr Ford's White House Chief of Staff. He is now President of G.D. Searle, a Chicago-based pharmaceutical company.

Mr Reagan also told a brief news conference that U.S. objectives had been achieved in Grenada, and said that U.S. forces would be withdrawn over the next few days as the conflict in Lebanon, including the peace talks, had been completed.

Mr Rumsfeld said he would not leave for the Middle East immediately, but would take some time first for briefings and discussions in Washington. His first priority will be to tackle the complex problem of Lebanon, including the role of the U.S. marines, and the national reconciliation negotiations now underway in Geneva.

Mr Reagan said that he hoped the Geneva talks would add momentum to the search for a wider regional peace in the Middle East.

The Soviet Union in Afghanistan had "used every vicious form of warfare, including chemical warfare, killing the women and children... and they're still there," he said.

Why James Watt incurred the wrath, Page 4

specific deadline for the departure of all U.S. troops, although other U.S. officials indicated that some military units might remain for at least another two weeks. Military spokesmen said that about 2,300 American troops would return to the U.S. in the coming days, leaving about 3,000 U.S. servicemen in the region.

Mr Reagan praised U.S. soldiers killed or wounded on Grenada as "heroes of freedom". He said that hostilities had ceased on Wednesday afternoon, eight days after U.S. forces landed.

Mr Reagan responded angrily to questions drawing attention to criticism of the U.S. action. "Oh, for heaven's sake," he snapped when asked to explain how the Grenada invasion differed from Soviet intervention in Afghanistan.

The Soviet Union in Afghanistan had "used every vicious form of warfare, including chemical warfare, killing the women and children... and they're still there," he said.

Why James Watt incurred the wrath, Page 4

## UK leaves door open for involvement in Grenada force

By PETER RIDDELL, POLITICAL EDITOR, IN LONDON

SIR GEOFFREY HOWE, the British Foreign Secretary, yesterday held out the possibility that the UK might participate in a British Commonwealth security and police force on Grenada.

The Government's view remains that any involvement by British troops or police would be very limited, both in size and duration, but Sir Geoffrey told the House of Commons last night that the UK would "respond positively" if asked to contribute to an interim security force or to policing arrangements needed to return the Caribbean island to democratic life.

Britain would help in the task of reconstruction and economic development, he said. A high level team of advisers, including aid experts and the regional police adviser, should arrive in the island today to assess the position and to make proposals. Britain had also resumed its bilateral aid relationship with Grenada, which would involve capital assistance as well as technical co-operation.

Sir Geoffrey also strongly defended the Government's stance on Grenada during the last fortnight, in New York. We are in close touch with Commonwealth missions

there and with the Governor-General in Grenada.

It would be important for any security force "to have a properly constituted structure of command, clear objectives and a time-frame within which its mission must be accomplished. If it is to operate effectively it will also, of course, need the active support of the interim administration of Grenada and of other states in the Caribbean."

He added: "We took the view that our participation in military intervention was not justified. We hold to that view."

"But we are not prepared to condemn, nor will we condemn, the U.S. and the Organisation of Eastern Caribbean States for the action they took."

Dealing with East-West relations, the Foreign Secretary admitted that there was little prospect of an agreement on intermediate nuclear weapons being reached before the end of the year. But he maintained that Britain had not slammed the door on further negotiations.

## Italians win Nigerian deal

By OUR LAGOS CORRESPONDENT

THE NIGERIAN National Petroleum Corporation has awarded a contract worth some \$250m for a 340 km gas pipeline to an Italian consortium including Saipem and Snamprogetti, both arms of the ENI group.

The contract is the first and most important in an estimated \$500m three-part project to deliver gas from Escravos in the south east delta region to the capital, Lagos. It involves the construction of a 36-inch diameter single gas pipeline transmission system from Warri to the Igbini thermal power station, cur-

rently being constructed near Lagos. The pipeline is one of the most important contracts to be awarded this year in Nigeria, where new investment has been sharply cut back as a result of the country's oil-related economic crisis.

The contract was won against strong competition from a joint venture of Nacan of the Netherlands and Spie Batignolles of France, as well as from Techint of Brazil. The consulting engineer is Pencol International of the UK.

The contractors' financing arrangements are expected to be con-

cluded shortly. The project is being mainly financed offshore through Euroloans. The World Bank is financing the second part of the project, which consists of the western gas-gathering system and construction of a gas treatment plant in Warri.

However, the third part of the project - the southern gas-gathering system - has reportedly been postponed.

Saipem and Snamprogetti recently won two contracts worth \$400m for the construction of oil production facilities and a 900-mile oil pipeline in Sudan.

The main independent forecasts are now divided as to whether the future trend of British unemployment will be up or down.

After a drop of between 3 and 5 per cent in gross national product this year, Mexico might be able to grow by as much as 2 per cent in 1984 he said.

If economic conditions continued to improve, a voluntary bank loan to Mexico on normal market terms could be possible as early as the middle of next year.

Argentina's debt, Page 4

Continued from Page 1

savage reality is that unemployment is here to stay so long as the Government refuses to take direct action to combat it.

The Trades Union Congress said that the improvements were "superficial" and the figures were still "depressing". Mr Terence Beckett, director general of the CBI saw the rise in vacancies as an optimistic sign, but he added: "There is no room for complacency, particularly over pay."

In the three months to October, the average number of adults unemployed was 2.945m. That represented an underlying fall of 2.3m, compared with the average for the three months to September. In the

worst of the recession in the autumn of 1980, unemployment was rising by about 100,000 a month.

The number of unemployed adults would still be well over 3m without the special measures announced in the March budget, which removed 162,000 men aged over 60 from the unemployment register.

In addition, it is officially estimated that, in September, 613,000 young people were taking part in special government training or job creation schemes. These schemes, together with early retirement, are estimated to have reduced the unemployment count by nearly 400,000.

The main independent forecasts are now divided as to whether the future trend of British unemployment will be up or down.

Continued from Page 1

savage reality is that unemployment is here to stay so long as the Government refuses to take direct action to combat it.

The Trades Union Congress said that the improvements were "superficial" and the figures were still "depressing". Mr Terence Beckett, director general of the CBI saw the rise in vacancies as an optimistic sign, but he added: "There is no room for complacency, particularly over pay."

In the three months to October, the average number of adults unemployed was 2.945m. That represented an underlying fall of 2.3m, compared with the average for the three months to September. In the

worst of the recession in the autumn of 1980, unemployment was rising by about 100,000 a month.

The number of unemployed adults would still be well over 3m without the special measures announced in the March budget, which removed 162,000 men aged over 60 from the unemployment register.

In addition, it is officially estimated that, in September, 613,000 young people were taking part in special government training or job creation schemes. These schemes, together with early retirement, are estimated to have reduced the unemployment count by nearly 400,000.

Continued from Page 1

savage reality is that unemployment is here to stay so long as the Government refuses to take direct action to combat it.

The Trades Union Congress said that the improvements were "superficial" and the figures were still "depressing". Mr Terence Beckett, director general of the CBI saw the rise in vacancies as an optimistic sign, but he added: "There is no room for complacency, particularly over pay."

In the three months to October, the average number of adults unemployed was 2.945m. That represented an underlying fall of 2.3m, compared with the average for the three months to September. In the

worst of the recession in the autumn of 1980, unemployment was rising by about 100,000 a month.

The number of unemployed adults would still be well over 3m without the special measures announced in the March budget, which removed 162,000 men aged over 60 from the unemployment register.

In addition, it is officially estimated that, in September, 613,000 young people were taking part in special government training or job creation schemes. These schemes, together with early retirement, are estimated to have reduced the unemployment count by nearly 400,000.

Continued from Page 1

savage reality is that unemployment is here to stay so long as the Government refuses to take direct action to combat it.

The Trades Union Congress said that the improvements were "superficial" and the figures were still "depressing". Mr Terence Beckett, director general of the CBI saw the rise in vacancies as an optimistic sign, but he added: "There is no room for complacency, particularly over pay."

In the three months to October, the average number of adults unemployed was 2.945m. That represented an underlying fall of 2.3m, compared with the average for the three months to September. In the

worst of the recession in the autumn of 1980, unemployment was rising by about 100,000 a month.

The number of unemployed adults would still be well over 3m without the special measures announced in the March budget, which removed 162,000 men aged over 60 from the unemployment register.

In addition, it is officially estimated that, in September, 613,000 young people were taking part in special government training or job creation schemes. These schemes, together with early retirement, are estimated to have reduced the unemployment count by nearly 400,000.

Continued from Page 1

savage reality is that unemployment is here to stay so long as the Government refuses to take direct action to combat it.

The Trades Union Congress said that the improvements were "superficial" and the figures were still "depressing". Mr Terence Beckett, director general of the CBI saw the rise in vacancies as an optimistic sign, but he added: "There is no room for complacency, particularly over pay."

In the three months to October, the average number of adults unemployed was 2.945m. That represented an underlying fall of 2.3m, compared with the average for the three months to September. In the

worst of the recession in the autumn of 1980, unemployment was rising by about 100,000 a month.

The number of unemployed adults would still be well over 3m without the special measures announced in the March budget, which removed 162,000 men aged over 60 from the unemployment register.

In addition, it is officially estimated that, in September, 613,000 young people were taking part in special government training or job creation schemes. These schemes, together with early retirement, are estimated to have reduced the unemployment count by nearly 400,000.

Continued from Page 1

savage reality is that unemployment is here to stay so long as the Government refuses to take direct action to combat it.

The Trades Union Congress said that the improvements were "superficial" and the figures were still "depressing". Mr Terence Beckett, director general of the CBI saw the rise in vacancies as an optimistic sign, but he added: "There is no room for complacency, particularly over pay."

In the three months to October, the average number of adults unemployed was 2.945m. That represented an underlying fall of 2.3m, compared with the average for the three months to September. In the

worst of the recession in the autumn of 1980, unemployment was rising by about 100,000 a month.

The number of unemployed adults would still be well over 3m without the special measures announced in the March budget, which removed 162,000 men aged over 60 from the unemployment register.

In addition, it is officially estimated that, in September, 613,000 young people were taking part in special government training or job creation schemes. These schemes, together with early retirement, are estimated to have reduced the unemployment count by nearly 400,000.

Continued from Page 1

savage reality is that unemployment is here to stay so long as the Government refuses to take direct action to combat it.

The Trades Union Congress said that the improvements were "superficial" and the figures were still "depressing". Mr Terence Beckett, director general of the CBI saw the rise in vacancies as an optimistic sign, but he added: "There is no room for complacency, particularly over pay."

In the three months to October, the average number of adults unemployed was 2.945m. That represented an underlying fall of 2.3m, compared with the average for the three months to September. In the

worst of the recession in the autumn of 1980, unemployment was rising by about 100,000 a month.

The number of unemployed adults would still be well over 3m without the special measures announced in the March budget, which removed 162,000 men aged over 60 from the unemployment register.

In addition, it is officially estimated that, in September, 613,000 young people were taking part in special government training or job creation schemes. These schemes, together with early retirement, are estimated to have reduced the unemployment count by nearly 400,000.

Continued from Page 1

savage reality is that unemployment is here to stay so long as the Government refuses to take direct action to combat it.

The Trades Union Congress said that the improvements were "superficial" and the figures were still "depressing". Mr Terence Beckett, director general of the CBI saw the rise in vacancies as an optimistic sign, but he added: "There is no room for complacency, particularly over

Fine British Clothes  
for men

**centaur**  
ELEGANTLY STYLED

1983-4-2283

## SECTION II - INTERNATIONAL COMPANIES

# FINANCIAL TIMES

Friday November 4 1983



## Christiansia merger plan rescues troubled bank

BY FAY GJESTER IN OSLO

CHRISTIANIA Bank, Norway's second largest commercial bank, is to merge from January 1 with the country's tenth largest Fiskernes Bank, in a deal worth Nkr 186m (\$20.4m). Christiansia will issue new shares for this amount which will be exchanged for shares in Fiskernes Bank, with the latter's shareholders getting two Christiansia shares for each share held in the smaller bank. The issue will move Christiansia's share capital to over Nkr 1bn.

Fiskernes, in difficulties as a result of heavy losses on shipping loans, proposed the merger. Christiansia readily accepted, welcoming the chance to extend its operations to the numerous coastal towns, from the Soviet-Norwegian border to mid-west Norway, in which Fiskernes Bank has branches.

Christiansia's present branch network is concentrated in eastern Norway, although it also has branches in most of the larger coastal towns from Trondheim and southwards. The new, merged unit

will have virtually nationwide coverage.

The agreement, unanimously approved by the boards of both banks, was signed on November 1 and announced yesterday. It is subject to approval by the Norwegian authorities and by the shareholders and representative councils of both banks, but this is expected to be forthcoming.

The deal took Norwegian banking circles by surprise, partly because the Storting (parliament) is soon due to debate a Royal Commission report which recommends that future mergers among Norway's banks should not include any of the "big three": Den norske Creditbank (DnC), Christiansia and Bergens Bank.

An exception is apparently being made in this case - without waiting for the Storting debate - because Fiskernes was in urgent need of a rescue operation. The bank, which plays an important role in providing finance for business and industry along Norway's north western

and northern coast, had accumulated bad debts on shipping loans which will have to be written off this year.

Christiansia, with assets totalling Nkr 31.5bn at end August, compared with Nkr 3.2bn for Fiskernes, is in a position to provide the fresh capital the latter needs. One clause in the merger agreement specifies that the flow of funds for the enlarged bank's northern branches (i.e. those formerly belonging to Fiskernes Bank) shall increase by 25 per cent annually for five years.

The Norwegian Fishermen's Association and other fishing industry bodies which until now have owned most of the shares in Fiskernes Bank will retain a say in the affairs of the enlarged bank. Under the agreement, they will select one member of its board and three members of its representative council. Fiskernes Bank's managing director, Mr Kjell Vollev, will become a deputy managing director of Christiansia.

## Merrill Lynch changes policy on single deferred annuities

BY WILLIAM HALL IN NEW YORK

MERRILL LYNCH, the giant U.S. brokerage firm, is to stop selling single premium deferred annuities issued by five life insurance companies, including those of Charter Security Life, the largest issuer of annuities to individuals last year.

Merrill did not give any reasons for its decision but it's move is the latest in a series of actions by big brokerage firms who are cutting the sale of the annuities which have been one of the insurance industry's fastest growing products.

A single deferred annuity is purchased with the payment of a single

initial premium that is invested by the insurance company to earn interest tax free until the holder begins to draw monthly payments, normally on retirement.

These annuities were an important factor in the growth of Baldwin United which collapsed earlier this year. The company had invested up to a fifth of the premiums it received in its own subsidiaries. As a result some big brokerage firms which sold Baldwin annuities have been sued by some individuals who argue that more care should have

been taken in reviewing the financial stability of Baldwin.

Together Baldwin United and Charter, part of the Florida-based Charter Company, have sold an estimated \$7bn of such annuities.

Merrill Lynch's decision to stop the sale of Charter's annuity is a setback for the group whose other main operations consist of oil refining which is also facing tough market conditions currently. Charter has stressed that there is no similarity between itself and Baldwin United.

## Osborne hopes to revive its operation

BY LOUISE KEHOE

IN SAN FRANCISCO

OSBORNE Computer, the California-based portable computer manufacturer which filed for bankruptcy in September, hopes to gain a new lease of life from one of two offers to buy the company. Following a bankruptcy court hearing on Wednesday, Osborne officials said that Lanpar Technologies Inc, Osborne's Canadian distributor, had made an offer for the company. Another, unnamed, company has also bid for Osborne they said.

Mr Rene Pardo, chairman of Lanpar Technologies of Markham, Ontario, said that his company was interested in manufacturing the Osborne Executive portable computer and possibly also a new IBM-compatible version of the computer. The new model is believed to be in the final stages of development at Osborne Computer.

Before Osborne filed for bankruptcy, Lanpar had announced plans to manufacture Osborne Computers under licence for the Canadian market. Since the bankruptcy filing, discussions between Osborne and its distributors in the UK, Australia and Canada are believed to have centred upon a proposal that the distributors buy stakes in Osborne.

The terms of Lanpar's offer for Osborne have not been revealed, but earlier this week Lanpar's president, Mr David Whiteside said that Osborne's most attractive asset was its inventory of completed computer products.

Osborne's chief financial officer, Mr Donald Geyer, said that several companies have expressed an interest in purchasing Osborne's inventory for liquidation purposes.

Osborne's dealer network in the U.S. is now largely defunct. If Osborne can revive its operations, the company would be forced to rebuild a retail distribution system by fighting for shelf space with a growing number of competitors.

## Third-quarter profits setback for Manville

BY OUR NEW YORK STAFF

MANVILLE, the U.S. asbestos company operating under Chapter 11 bankruptcy protection procedures while it tries to reach agreement on the settlement of its outstanding asbestos-health claims, reported net earnings of \$20.3m or 59 cents a share in the third quarter, against \$22.8m in 1982.

In the first nine months, net earnings amounted to \$38.3m or \$1.68 a share against \$16m. These results have been restated to exclude the discontinued asbestos business, sold during the third quarter, and the domestic pipe operations, sold in the fourth quarter of last year. If these activities were included, nine-month earnings would stand at \$65m, against a loss of \$73.7m last year.

The figures reveal that Manville's Chapter 11 filing and asbestos-related costs rose to \$11m in the third quarter from \$4.5m last year, and to \$22m over the nine months period. Since it filed for protection under

Chapter 11 in August 1982, Manville has been trying to reach a negotiated agreement on the settlement of its outstanding asbestos-health claims.

Earlier this month it put forward a new set of proposals which its creditors are examining. It says however, there are substantial uncertainties as to whether these will be accepted, and because of this it has not recorded any financial liabilities for the claims.

At the time of entering Chapter 11, Manville had received claims from 16,000 litigants seeking damages for injuries alleged to have resulted from exposure to asbestos fibre, and was receiving an average of 425 new claims a month.

Although the company is technically shielded from further claims they continue to be filed at about the same rate. Manville calculates that under conventional tort litigation the average claim could result in payments of around \$40,000.

## Daon restructure plan

BY NICHOLAS HURST IN TORONTO

CREDITORS and shareholders at the troubled Vancouver-based property group Daon Development Corporation have overwhelmingly voted in favour of a complex plan to restructure its C\$1.77bn (\$1.43bn) of debt.

A final vote yesterday of the convertible subordinated debenture holders cleared the way for the second stage of the Daon rescue plan, a C\$180m rights issue and placement. The court will hear an application to put the deal through today; its acceptance is expected to be a formality. The rights issue is subject to completion of underwriting.

The debt restructuring involves

payment of interest in new shares instead of cash for a three year period. Debenture holders also have the right to convert into new shares. Under full conversion the number of shares in issue would increase from 38.5m to 86.8m.

If the rights issue goes ahead, a further 80m shares could be issued. The idea for a rights issue was put to the company by British property developer Mr Edward Leighton and London stockbrokers Lazard Fréde.

Mr Leighton's plan would be Kleinveldt-Benson. Mr Leighton receives 2.75m new shares for fees related to the issue, if it goes ahead. It is expected that 30 per cent of the new issue would be raised by a placement with institutions outside Canada.

## German print merger blocked

BY LESLIE COLLIET IN BERLIN

THE WEST GERMAN Cartel Office has ruled that a planned merger between the publisher of the *Süddeutsche Zeitung*, a quality Munich daily, and the *Donau-Kurier* newspaper of Ingolstadt cannot take place.

The Cartel Office said a merger would further strengthen the "dominating market position" of *Süddeutsche Zeitung* in the greater Munich area and would remove its last remaining competitor in the nearby Ingolstadt region.

*Süddeutscher Verlag* rejected

this argument and said it would appeal the decision. *Süddeutsche Zeitung*, with a circulation of 338,000, is the leading subscription newspaper in the Munich area and has a 25 per cent share in *Donau-Kurier* of Ingolstadt with a circulation of 73,000.

Since 1976, when the West German press merger law came into effect, the Cartel Office has forbidden seven publishing mergers and was upheld six times by the West Berlin Appeals Court. Most of the attempted mergers involved the Axel Springer publishing house, which is one of Europe's largest.

This took the half year total to September 30, to \$106.85m, against \$86.97m or \$2.72 against \$1.65.

The company expects operating results to be down in the first six months, because of lower utilisation of construction equipment.

Strong gain for McDermott

BY OUR FINANCIAL STAFF

McDERMOTT International, the recently restructured energy services group, reports a substantial boost in second quarter net earnings, from \$7.86m, or 48 cents a share, to

\$83.36m, or \$1.50.

This took the half year total to

September 30, to \$106.85m, against \$86.97m or \$2.72 against \$1.65.

The company expects operating

results to be down in the first six

months, because of lower utilisation

of construction equipment.

## DM 600m aid for German bank

By JOHN DAVIES IN FRANKFURT

### GERMAN STEEL MERGER COLLAPSE ENDS TWO YEARS OF HOPE

## Krupp's solo waltz

BY JAMES BUCHAN IN BONN

THE LATEST round of musical chairs in the West German steel industry ended in gloom and bad temper on Wednesday morning.

The announcement that Thyssen Stahl, the new steel subsidiary of the Thyssen group, was unwilling to take over the Krupp Stahl concern without government aid has turned the clock back two years to the time when the steel companies' executive boards started merger talks.

The position today after the failure of various merger concepts - Hoesch-Krupp Stahl, Hoesch-Klücker-Salgitter and now Thyssen-Krupp Stahl - is that all the companies, including the mighty Thyssen, are in much worse financial shape. It is no longer a sick joke that a major bankruptcy could be the way to adjust German steel production to the market.

A team of six experts from other banks is understood to have moved into SMH for discussions with the existing partners and management.

About 20 banks, together with the banking system's deposit and liquidity guarantee fund, are providing aid of about DM 600m to SMH.

The bank's difficulties are understood to have arisen from extensive commitments to an industrial group and a subsequent write-down of assets.

Neither SMH nor the banking authorities have disclosed officially the cause of the bank's problems, or the exact amount of aid required or the extent to which individual banks are involved.

The only official information has come from the Federal Banking Supervisory Office, which called representatives of banks to a late-night meeting at the Frankfurt headquarters of the Bundesbank, the central bank, on Tuesday.

A statement later said that banks had agreed to transform their credit lines to SMH into subordinated debt and that the banking guarantee fund would help to ensure that SMH could carry on banking business as usual.

The bank is closely associated with IBH, the construction equipment group founded and headed by Herr Horst Dieter Esch.

SMH, which has a stake of about 7 per cent in IBH, is understood to have made commitments to IBH and its affiliates through its German and Luxembourg banking operations.

A reassessment of assets involved is understood to have caused concern.

Herr Esch said on Wednesday that IBH was in the process of reducing its losses and had firm commitments from shareholders, including SMH, to contribute to a capital increase.

The scale of SMH's problems has surprised the West German business community.

Operating as a limited partnership, SMH was formed in 1969 by a merger of two Hamburg banks and a Frankfurt bank, all of which dated back before 1850.

One of the managing partners, Count Ferdinand von Galen, is also president of the Frankfurt stock exchange.

special steels, which account for half of Krupp Stahl's turnover.

However, it is in the bulk steel area that losses at the steel industry ended in gloom and bad temper on Wednesday morning.

The announcement that Thyssen Stahl, the new steel subsidiary of the Thyssen group, was unwilling to take over the Krupp Stahl concern without government aid has turned the clock back two years to the time when the steel companies' executive boards started merger talks.

Financially, Krupp Stahl is in a bad way. The cash paid by Ira for a 25 per cent stake in the mid-1970s has been used up. Half the traditional products -

Stahl and Thyssen will need to make savage cuts in costs on their own. Thyssen, which has been rather slow to react, is expected to shed around 15,000 jobs, or a quarter of its steel workforce, by 1985.

Krupp Stahl envisages cutting a further 4,000 jobs in 1985 and concentrating on higher value added flat products and special steels, closing one hot strip mill entirely and moving out of certain other products.

Thyssen remains the least unsound of the German steelmakers but has insisted that it would not act as Krupp Stahl's company doctor. At the same time, Thyssen has had its own difficulties with the U.S. motor industry and railway supplier, the Budd Company, which it acquired in 1978 and which has accumulated losses of around DM 1bn. However, Thyssen said yesterday that the Budd losses had played no part in the merger talks.

All this pointed to a tough line on Dr Spethmann's part, even if he has informed the Bonn Government, which says he changed his position

each time either Krupp or the Economics Ministry came out to meet him.

His last demand, for DM 1.2bn above and above the DM 1.5bn already promised for the merger, was too much for a government which is committed to cutting subsidies and is in the midst of negotiations with the industry in the Saarland over its rescue.

For the moment, both Krupp Stahl and Thyssen will need to make savage cuts in costs on their own. Thyssen, which has been rather slow to react, is expected to shed around 15,000 jobs, or a quarter of its steel workforce, by 1985.

Nine-month net profits amounted to \$80.5m or \$3.17 a share against a loss of \$134.5m in 1982.

Most of last year's loss was due to restructuring and divestments linked to the group's change of strategy. Mr William Woodside, chairman and chief executive, said each of the major businesses had contributed to the substantial improvement in the operating performance.

"We continue to expand the financial services sector, through acquisitions as well as internal growth," he added. This part of the business now generates about half of the company's operating profits.

In the packaging sector, income was up, reflecting growth in plastics packaging, as well as the strengthening of domestic metal can operations.

## American Can achieves turnaround

By TERRY DODSWORTH IN NEW YORK

AMERICAN CAN, the U.S. packaging group, which is spending heavily on diversification into financial services, achieved a turnaround from net losses of \$159.5m in 1982 to \$31.1m or \$1.20 a share in 1983.

Nine-month net profits amounted to \$80.5m or \$3.17 a share against a loss of \$134.5m in 1982.

Most of last year's loss was due to restructuring and divestments linked to the group's change of strategy. Mr William Woodside, chairman and chief executive, said each of the major businesses had contributed to the substantial improvement in the operating performance.

"We continue to expand the financial services sector, through acquisitions as well as internal growth," he added. This part of the business now generates

## ART GALLERIES

## BUSINESSES FOR SALE



## Offshore oil and gas

For sale, designs and patents for semi-submersible production facilities for use in offshore oil and gas exploitation. Engineered to North Sea environment standards.

For further details contact:

Michael J. Arnold F.C.A.  
Arthur Young McClelland Moores & Co.  
Rolls House, 7 Rolls Buildings  
Fetter Lane, London EC4A 1NH  
Telephone: 01-831 7130 ext. 4410

Arthur Young McClelland Moores & Co.  
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

DAVID CARRITT LIMITED  
15 Duke Street, St James's  
London, SW1

EDGAR DEGAS  
IMPORTANT EXHIBITION OF  
PICTURES, PAINTS  
BRONZES, ETC.

Monday - Friday 10 am - 5 pm  
Until 5th December

BROMPTON GALLERY, 15, Brompton  
Arcade, Knightsbridge, SW3 01-581  
1076. WILLIAM CRADDOCK, Recent  
Acquisitions Drawings. Until 19 Nov.  
Mon-Fri, 10-6. Sat, 10-5.

BROWSE & DARBY, 19, Cork St., W1.  
01-734 7894. PAUL MAZE (1987)

MAIL GALLERIES, THE MALL, SW1. HILDA  
VAN STOCKUM. 2-14 Nov. Mon-Fri,  
10-5, Sat, 10-1. Adm. Free.

MORTON MORRIS & CO., 32, Bury St.,  
SW1. 01-930 2822. LOAN EXHIBIT  
"THE ASTHOMOLAN MUSEUM" until  
2 Dec.

5 NEWCOMERS TO CRANE KALMAN  
GALLERY: Petrich Hayman, Nino Mac-  
Donald, Bob Bourne, John Ross, and  
Peter Goss. 11-18 Nov. Mon-Fri,  
10-5, Sat, 10-12. Brompton  
Road, SW3. 01-584 7566.

THE CLARENCE GALLERY, 8, Vigo St.,  
01-439 4557. Jointly with THE PARKIN  
GALLERY, 11, Montague St., W1. DI-  
RECTOR: ARTHUR YOUNG. DRAWINGS  
FROM THE ASTHOMOLAN MUSEUM until  
2 Dec.

## COMPANY NOTICES

SENTRUST LIMITED  
(Incorporated in the Republic of South Africa)

RESULT OF MEETINGS

CHANGE OF NAME TO GENERAL UNION CORPORATION LIMITED  
AND DECLARATION OF SPECIAL DIVIDEND

At the scheme and general meetings of Sentrust held on 25 October 1983 the necessary resolutions to implement the scheme of arrangement ("the scheme") between Sentrust and UC (incorporated in the Republic of South Africa) ("UC") were passed by the shareholders of Sentrust.

The scheme was sanctioned by the Supreme Court of South Africa ("the Supreme Court") on 2 November 1983 and the scheme resolution and Order of Court will have been registered by the Registrar of Companies ("the Registrar") on 7 November 1983. At that time the new name of UC will become the holder of the entire issued ordinary share capital.

The listing of the Sentrust ordinary shares on The Johannesburg Stock Exchange and the quoted name of UC will commence on the 12th day of November 1983.

General share certificates in respect of ordinary shares allotted to scheme members will be issued by the Registrar on 12 November 1983. The transfer of shares will be effected from 13 November 1983.

A special dividend No. 41 of 20 cents per share has been declared payable to UC shareholders recorded in the books of UC at the close of business on 11 November 1983. The register of members will be closed from 12 to 11 November 1983, inclusive.

The dividend is declared in the currency of the Republic of South Africa. Payment will be made in the currency of the Republic of South Africa at the rate of exchange ruling on 7 November 1983 or the first day thereafter.

Dividend warrants will be issued on 15 November 1983 and, in the case of non-shareholders, will be issued on 16 November 1983.

The dividend is payable subject to conditions which can be inspected at the Johannesburg office or London branch office of UC.

For further information, scheme members should complete and return the form of application as soon as possible in order that they may receive their general ordinary share certificates.

By order of the Board of Directors  
GENERAL MINING UNION CORPORATION LIMITED  
Secretary  
per C. J. H. STEEN  
Central Merchant Bankers

CENTRAL MERCHANT BANK LIMITED  
(Registered Merchant Bank)

JOHANNESBURG,  
4 November 1983.

## ENTERTAINMENT

## CLUBS

**BARBICAN**  
01-528 8795 (01-538 8981)  
(Mon-Sat, 10 am-5 pm)  
ROYAL SHAKESPEARE COMPANY  
BIRMINGHAM  
THE TEMPEST  
Nov. 4, 5 (matc), 21, 22;  
MAYDAYS by David Edgar  
Nov. 4, 5 (matc); 11, 12, 13;  
MUCH ADDO ABOUT NOTHING  
Nov. 5, 6, 7 (matc); 11, 12 (matc);  
MACBETH  
Nov. 9, 10 (matc);  
11, 12, 13 (matc);  
14, 15 (matc); 16, 17 (matc);  
18, 19 (matc); 20, 21 (matc);  
22, 23 (matc); 24, 25 (matc);  
26, 27 (matc); 28, 29 (matc);  
30, 31 (matc); 32, 33 (matc);  
34, 35 (matc); 36, 37 (matc);  
38, 39 (matc); 40, 41 (matc);  
42, 43 (matc); 44, 45 (matc);  
46, 47 (matc); 48, 49 (matc);  
50, 51 (matc); 52, 53 (matc);  
54, 55 (matc); 56, 57 (matc);  
58, 59 (matc); 60, 61 (matc);  
62, 63 (matc); 64, 65 (matc);  
66, 67 (matc); 68, 69 (matc);  
70, 71 (matc); 72, 73 (matc);  
74, 75 (matc); 76, 77 (matc);  
78, 79 (matc); 80, 81 (matc);  
82, 83 (matc); 84, 85 (matc);  
86, 87 (matc); 88, 89 (matc);  
89, 90 (matc); 91, 92 (matc);  
93, 94 (matc); 95, 96 (matc);  
97, 98 (matc); 99, 100 (matc);  
101, 102 (matc); 103, 104 (matc);  
105, 106 (matc); 107, 108 (matc);  
109, 110 (matc); 111, 112 (matc);  
113, 114 (matc); 115, 116 (matc);  
117, 118 (matc); 119, 120 (matc);  
121, 122 (matc); 123, 124 (matc);  
125, 126 (matc); 127, 128 (matc);  
129, 130 (matc); 131, 132 (matc);  
133, 134 (matc); 135, 136 (matc);  
137, 138 (matc); 139, 140 (matc);  
141, 142 (matc); 143, 144 (matc);  
145, 146 (matc); 147, 148 (matc);  
149, 150 (matc); 151, 152 (matc);  
153, 154 (matc); 155, 156 (matc);  
157, 158 (matc); 159, 160 (matc);  
161, 162 (matc); 163, 164 (matc);  
165, 166 (matc); 167, 168 (matc);  
169, 170 (matc); 171, 172 (matc);  
173, 174 (matc); 175, 176 (matc);  
177, 178 (matc); 179, 180 (matc);  
181, 182 (matc); 183, 184 (matc);  
185, 186 (matc); 187, 188 (matc);  
189, 190 (matc); 191, 192 (matc);  
193, 194 (matc); 195, 196 (matc);  
197, 198 (matc); 199, 200 (matc);  
201, 202 (matc); 203, 204 (matc);  
205, 206 (matc); 207, 208 (matc);  
209, 210 (matc); 211, 212 (matc);  
213, 214 (matc); 215, 216 (matc);  
217, 218 (matc); 219, 220 (matc);  
221, 222 (matc); 223, 224 (matc);  
225, 226 (matc); 227, 228 (matc);  
229, 230 (matc); 231, 232 (matc);  
233, 234 (matc); 235, 236 (matc);  
237, 238 (matc); 239, 240 (matc);  
241, 242 (matc); 243, 244 (matc);  
245, 246 (matc); 247, 248 (matc);  
249, 250 (matc); 251, 252 (matc);  
253, 254 (matc); 255, 256 (matc);  
257, 258 (matc); 259, 260 (matc);  
261, 262 (matc); 263, 264 (matc);  
265, 266 (matc); 267, 268 (matc);  
269, 270 (matc); 271, 272 (matc);  
273, 274 (matc); 275, 276 (matc);  
277, 278 (matc); 279, 280 (matc);  
281, 282 (matc); 283, 284 (matc);  
285, 286 (matc); 287, 288 (matc);  
289, 290 (matc); 291, 292 (matc);  
293, 294 (matc); 295, 296 (matc);  
297, 298 (matc); 299, 300 (matc);  
301, 302 (matc); 303, 304 (matc);  
305, 306 (matc); 307, 308 (matc);  
309, 310 (matc); 311, 312 (matc);  
313, 314 (matc); 315, 316 (matc);  
317, 318 (matc); 319, 320 (matc);  
321, 322 (matc); 323, 324 (matc);  
325, 326 (matc); 327, 328 (matc);  
329, 330 (matc); 331, 332 (matc);  
333, 334 (matc); 335, 336 (matc);  
337, 338 (matc); 339, 340 (matc);  
341, 342 (matc); 343, 344 (matc);  
345, 346 (matc); 347, 348 (matc);  
349, 350 (matc); 351, 352 (matc);  
353, 354 (matc); 355, 356 (matc);  
357, 358 (matc); 359, 360 (matc);  
361, 362 (matc); 363, 364 (matc);  
365, 366 (matc); 367, 368 (matc);  
369, 370 (matc); 371, 372 (matc);  
373, 374 (matc); 375, 376 (matc);  
377, 378 (matc); 379, 380 (matc);  
381, 382 (matc); 383, 384 (matc);  
385, 386 (matc); 387, 388 (matc);  
389, 390 (matc); 391, 392 (matc);  
393, 394 (matc); 395, 396 (matc);  
397, 398 (matc); 399, 400 (matc);  
401, 402 (matc); 403, 404 (matc);  
405, 406 (matc); 407, 408 (matc);  
409, 410 (matc); 411, 412 (matc);  
413, 414 (matc); 415, 416 (matc);  
417, 418 (matc); 419, 420 (matc);  
421, 422 (matc); 423, 424 (matc);  
425, 426 (matc); 427, 428 (matc);  
429, 430 (matc); 431, 432 (matc);  
433, 434 (matc); 435, 436 (matc);  
437, 438 (matc); 439, 440 (matc);  
441, 442 (matc); 443, 444 (matc);  
445, 446 (matc); 447, 448 (matc);  
449, 450 (matc); 451, 452 (matc);  
453, 454 (matc); 455, 456 (matc);  
457, 458 (matc); 459, 460 (matc);  
461, 462 (matc); 463, 464 (matc);  
465, 466 (matc); 467, 468 (matc);  
469, 470 (matc); 471, 472 (matc);  
473, 474 (matc); 475, 476 (matc);  
477, 478 (matc); 479, 480 (matc);  
481, 482 (matc); 483, 484 (matc);  
485, 486 (matc); 487, 488 (matc);  
489, 490 (matc); 491, 492 (matc);  
493, 494 (matc); 495, 496 (matc);  
497, 498 (matc); 499, 500 (matc);  
501, 502 (matc); 503, 504 (matc);  
505, 506 (matc); 507, 508 (matc);  
509, 510 (matc); 511, 512 (matc);  
513, 514 (matc); 515, 516 (matc);  
517, 518 (matc); 519, 520 (matc);  
521, 522 (matc); 523, 524 (matc);  
525, 526 (matc); 527, 528 (matc);  
529, 530 (matc); 531, 532 (matc);  
533, 534 (matc); 535, 536 (matc);  
537, 538 (matc); 539, 540 (matc);  
541, 542 (matc); 543, 544 (matc);  
545, 546 (matc); 547, 548 (matc);  
549, 550 (matc); 551, 552 (matc);  
553, 554 (matc); 555, 556 (matc);  
557, 558 (matc); 559, 560 (matc);  
561, 562 (matc); 563, 564 (matc);  
565, 566 (matc); 567, 568 (matc);  
569, 570 (matc); 571, 572 (matc);  
573, 574 (matc); 575, 576 (matc);  
577, 578 (matc); 579, 580 (matc);  
581, 582 (matc); 583, 584 (matc);  
585, 586 (matc); 587, 588 (matc);  
589, 589 (matc); 590, 591 (matc);  
592, 593 (matc); 594, 595 (matc);  
596, 597 (matc); 598, 599 (matc);  
599, 600 (matc); 600, 601 (matc);  
601, 602 (matc); 602, 603 (matc);  
603, 604 (matc); 604, 605 (matc);  
605, 606 (matc); 606, 607 (matc);  
607, 608 (matc); 608, 609 (matc);  
609, 610 (matc); 610, 611 (matc);  
611, 612 (matc); 612, 613 (matc);  
613, 614 (matc); 614, 615 (matc);  
615, 616 (matc); 616, 617 (matc);  
617, 618 (matc); 618, 619 (matc);  
619, 620 (matc); 620, 621 (matc);  
621, 622 (matc); 622, 623 (matc);  
623, 624 (matc); 624, 625 (matc);  
625, 626 (matc); 626, 627 (matc);  
627, 628 (matc); 628, 629 (matc);  
629, 630 (matc); 630, 631 (matc);  
631, 632 (matc); 632, 633 (matc);  
633, 634 (matc); 634, 635 (matc);  
635, 636 (matc); 636, 637 (matc);  
637, 638 (matc); 638, 639 (matc);  
639, 640 (matc); 640, 641 (matc);  
641, 642 (matc); 642, 643 (matc);  
643, 644 (matc); 644, 645 (matc);  
645, 646 (matc); 646, 647 (matc);  
647, 648 (matc); 648, 649 (matc);  
649, 650 (matc); 650, 651 (matc);  
651, 652 (matc); 652, 653 (matc);  
653, 654 (matc); 654, 655 (matc);  
655, 656 (matc); 656, 657 (matc);  
657, 658 (matc); 658, 659 (matc);  
659, 660 (matc); 660, 661 (matc);  
661, 662 (matc); 662, 663 (matc);  
663, 664 (matc); 664, 665 (matc);  
665, 666 (matc); 666, 667 (matc);  
667, 668 (matc); 668, 669 (matc);  
669, 670 (matc); 670, 671 (matc);  
671, 672 (matc); 672, 673 (matc);  
673, 674 (matc); 674, 675 (matc);  
675, 676 (matc); 676, 677 (matc);  
677, 678 (matc); 678, 679 (matc);  
679, 680 (matc); 680, 681 (matc);  
681

## THE PROPERTY MARKET

BY MICHAEL CASSELL

## Chase Manhattan looks at Swindon

CHASE MANHATTAN Bank is considering relocating some of its City of London operations to a 30-acre campus site near Swindon. No decisions have been taken but preliminary talks are under way with Thamesdown borough council. Chase currently occupies Woolgate House, the 240,000 square feet building in Basinghall Street, which is the largest UK office investment owned by the Hammerson Group. It seems likely that, whatever decision is made, the Bank would retain all or most of its space at Woolgate House, to accommodate further expansion.

Hammerson bought out a minority interest in the building during 1979, via its acquisition of Remain Properties, and in 1980 purchased the freehold from the Merchant Taylors Company for £1.5m. The property was then valued at £20m.

The Bank has, for some time, been reviewing the need to keep all its operational and administrative departments in the City and it is understood that it is also considering a site on the south coast. A spokesman for Chase Manhattan said yesterday that a final review of the bank's space requirements was now at an advanced stage but that a decision was not likely to be announced until the new year.

Its intention is to Swindon has centred around the so-called Croft campus, which fronts the M4 motorway west of the Bumble Oil complex. The greenfield site, owned by Thamesdown, has planning permission for

## Rothschild to move

ONE OF the West End's newest and most distinctive office buildings—66 St James's Street—is back on the letting market a year after the first tenant moved in.

The building, on the site of the old Map House, is occupied by J. Rothschild, which next year intends to move into newly acquired freehold premises—now being refurbished—in adjoining St James's Place.

Chase is thought to have recently finalised renegotiations with Hammerson on the structure of its complicated lease at Woolgate House, which has about 35 years left to run. It is understood that Chase has accepted a 5-year review pattern—with the first review date being brought forward—in place of a partial three-year revaluation which established a nine-year gap between reviews on each part of the building.

The appeal of an out-of-town location for additional space is based primarily on accommodation costs which can be comparatively modest in a town like Swindon. Along with numerous other central-London space occupiers, several City banks have been considering partial removal beyond the capital and some—like Chemical Bank—have taken the decision to go.

For Chase, the first priority for relocation could be its computer, which could move out in advance of other departments. There seems little doubt that the bank's presence in the City will remain intact but its decision to look much further afield for extra space is part of a growing trend.

Canada Life Assurance has leased Berkeley House, High Street, Kingston-upon-Thames, Surrey, to Tetra Pak, the Swedish food packaging company. Woolfall Green and Smith and Clegg Lewis were asking £180,000 a year for the 15,000 sq ft building. Smith Melnick acted for the tenant.

PRUDENTIAL ASSURANCE'S decision to seek a High Court ruling on the stalemate surrounding its plans for a new technology manufacturing centre in the heart of London starts another chapter in a story of optimism and initiative which has degenerated into an embarrassing mess.

The Prudential's expensive and time-consuming contest with the London Borough of Southwark for the right to pursue a modest but adventurous and innovative scheme, aimed at generating badly needed inner-city jobs, is a cautionary tale.

The events it embraces have done nothing to advance the cause of inner-city revival or to encourage other potential funding institutions to respond to repeated pleas that they should allocate some of their resources towards the cause.

For over three years, the Polytechnic of the South Bank has been trying to create a "technopark" on vacant land adjacent to its London Road building at the Elephant and Castle. The intention is to provide a centre in which fledgling high-technology businesses can establish themselves, drawing on the resources of the Polytechnic during their formative stages. Several hundred jobs could be created.

Southwark council was approached and it decided that the two-acre site was not suitable for housing—a prime requirement in the borough. A change of use to light industrial development land was refused.

The Polytechnic had also done nothing to advance the cause of inner-city revival or to encourage other potential funding institutions to respond to repeated pleas that they should allocate some of their resources towards the cause.

The Prudential has, indeed, already let the contract for phase one—which represents over two-thirds of the project. It has obtained legal opinion to support its view that this satisfies its new planning conditions and emphasises the second phase will follow if the first is successful. The council

managed to persuade the Prudential that it should fund the high-risk project, which is experimental and bears little resemblance to the type of schemes which the group is used to backing. It has put up £4.5m for the first phase.

In December 1981, the council agreed terms for the sale of the site to the Prudential. The agreement provided that it could be rescinded if planning permission had not been granted or if a building contract had not been entered into by today's date.

## Refused

In May 1982, however, the political complexion of Southwark Council moved further to the left and support for the technopark crumbled. Housing, the council said, was a priority and, when the Prudential applied for planning permission

it was refused. A public inquiry followed in February this year and in June the Department of the Environment backed the Prudential plan. But the council has continued to thwart progress and the planning committee last week voted to rescind the sale unless contracts to build phase one and two of the scheme were let.

The Prudential has, indeed,

already let the contract for phase one—which represents over two-thirds of the project.

It has obtained legal opinion to support its view that this

satisfies its new planning

conditions and emphasises the second phase will follow if the first is successful. The council

insists sale is conditional on the simultaneous letting of both phases.

The Prudential is privately outraged but is confining itself to saying merely that it has instructed solicitors with a view to gaining a ruling on the interpretation of the contract.

Dr John Beishon, director of the South Bank Polytechnic and deputy chairman of the proposed technopark, is less diplomatic: "The council's decision to renege on their agreement is distressing and undemocratic. To oppose a development that can create new jobs as well as saving existing ones at a time when the public sector of education is facing massive cuts is little short of a tragedy."

Southwark planning committee was told the land sale was made conditional upon the Prudential entering into a building contract to ensure a comprehensive programme of construction and because of concern that it might—horror of horrors—be a speculative venture.

The council would make no official statement yesterday but it is understood that the whole matter will be going back for consideration by the ruling Labour Group at a meeting due to be held next week. They might do themselves—and the progress of inner-city revival—a favour by thinking again.

• Norwich Union Insurance Group (Managed Funds) is to develop a 35,000 sq ft office building at White's Corner, Camberley at a cost of £5m. It has purchased the freehold of the site.

## Tenants lined up at Exchange Square

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office block owned by London and Provincial Shop Centres and recently vacated by Banks Hovis McDougal has produced an annual rental of £700,000. The previous rent for the 55,000 sq ft building was £668,000 a year. J. Trevor, who acted for RHM in the review, are looking for a new tenant. Jones Lang Wootton acted for the landlord.

• Kent County Council Superfund, the Fund has paid just over £1m for the freehold of Saracis House, the 5,500 sq ft office building in St. Andrew's Hill, close to St. Paul's Cathedral. It is let at £75,000 a year to Saracis International Securities.

Overall, Exchange Square involves 1.6m square feet of space in three towers, with Hong Kong's new stock exchange located in the podium. The first two towers will open their doors in 1985.

The construction schedule of the third tower is likely to depend on how quickly the first two are let.

• The Birmingham-based manufacturing group, is about to start work on a project which will transform about half of its 220-acre Witton complex into a 2m sq ft

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office block owned by London and Provincial Shop Centres and recently vacated by Banks Hovis McDougal has produced an annual rental of £700,000. The previous rent for the 55,000 sq ft building was £668,000 a year. J. Trevor, who acted for RHM in the review, are looking for a new tenant. Jones Lang Wootton acted for the landlord.

• Kent County Council Superfund, the Fund has paid just over £1m for the freehold of Saracis House, the 5,500 sq ft office building in St. Andrew's Hill, close to St. Paul's Cathedral. It is let at £75,000 a year to Saracis International Securities.

Overall, Exchange Square involves 1.6m square feet of space in three towers, with Hong Kong's new stock exchange located in the podium. The first two towers will open their doors in 1985.

The construction schedule of the third tower is likely to depend on how quickly the first two are let.

• The Birmingham-based manufacturing group, is about to start work on a project which will transform about half of its 220-acre Witton complex into a 2m sq ft

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office block owned by London and Provincial Shop Centres and recently vacated by Banks Hovis McDougal has produced an annual rental of £700,000. The previous rent for the 55,000 sq ft building was £668,000 a year. J. Trevor, who acted for RHM in the review, are looking for a new tenant. Jones Lang Wootton acted for the landlord.

• Kent County Council Superfund, the Fund has paid just over £1m for the freehold of Saracis House, the 5,500 sq ft office building in St. Andrew's Hill, close to St. Paul's Cathedral. It is let at £75,000 a year to Saracis International Securities.

Overall, Exchange Square involves 1.6m square feet of space in three towers, with Hong Kong's new stock exchange located in the podium. The first two towers will open their doors in 1985.

The construction schedule of the third tower is likely to depend on how quickly the first two are let.

• The Birmingham-based manufacturing group, is about to start work on a project which will transform about half of its 220-acre Witton complex into a 2m sq ft

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office block owned by London and Provincial Shop Centres and recently vacated by Banks Hovis McDougal has produced an annual rental of £700,000. The previous rent for the 55,000 sq ft building was £668,000 a year. J. Trevor, who acted for RHM in the review, are looking for a new tenant. Jones Lang Wootton acted for the landlord.

• Kent County Council Superfund, the Fund has paid just over £1m for the freehold of Saracis House, the 5,500 sq ft office building in St. Andrew's Hill, close to St. Paul's Cathedral. It is let at £75,000 a year to Saracis International Securities.

Overall, Exchange Square involves 1.6m square feet of space in three towers, with Hong Kong's new stock exchange located in the podium. The first two towers will open their doors in 1985.

The construction schedule of the third tower is likely to depend on how quickly the first two are let.

• The Birmingham-based manufacturing group, is about to start work on a project which will transform about half of its 220-acre Witton complex into a 2m sq ft

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office block owned by London and Provincial Shop Centres and recently vacated by Banks Hovis McDougal has produced an annual rental of £700,000. The previous rent for the 55,000 sq ft building was £668,000 a year. J. Trevor, who acted for RHM in the review, are looking for a new tenant. Jones Lang Wootton acted for the landlord.

• Kent County Council Superfund, the Fund has paid just over £1m for the freehold of Saracis House, the 5,500 sq ft office building in St. Andrew's Hill, close to St. Paul's Cathedral. It is let at £75,000 a year to Saracis International Securities.

Overall, Exchange Square involves 1.6m square feet of space in three towers, with Hong Kong's new stock exchange located in the podium. The first two towers will open their doors in 1985.

The construction schedule of the third tower is likely to depend on how quickly the first two are let.

• The Birmingham-based manufacturing group, is about to start work on a project which will transform about half of its 220-acre Witton complex into a 2m sq ft

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office block owned by London and Provincial Shop Centres and recently vacated by Banks Hovis McDougal has produced an annual rental of £700,000. The previous rent for the 55,000 sq ft building was £668,000 a year. J. Trevor, who acted for RHM in the review, are looking for a new tenant. Jones Lang Wootton acted for the landlord.

• Kent County Council Superfund, the Fund has paid just over £1m for the freehold of Saracis House, the 5,500 sq ft office building in St. Andrew's Hill, close to St. Paul's Cathedral. It is let at £75,000 a year to Saracis International Securities.

Overall, Exchange Square involves 1.6m square feet of space in three towers, with Hong Kong's new stock exchange located in the podium. The first two towers will open their doors in 1985.

The construction schedule of the third tower is likely to depend on how quickly the first two are let.

• The Birmingham-based manufacturing group, is about to start work on a project which will transform about half of its 220-acre Witton complex into a 2m sq ft

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office block owned by London and Provincial Shop Centres and recently vacated by Banks Hovis McDougal has produced an annual rental of £700,000. The previous rent for the 55,000 sq ft building was £668,000 a year. J. Trevor, who acted for RHM in the review, are looking for a new tenant. Jones Lang Wootton acted for the landlord.

• Kent County Council Superfund, the Fund has paid just over £1m for the freehold of Saracis House, the 5,500 sq ft office building in St. Andrew's Hill, close to St. Paul's Cathedral. It is let at £75,000 a year to Saracis International Securities.

Overall, Exchange Square involves 1.6m square feet of space in three towers, with Hong Kong's new stock exchange located in the podium. The first two towers will open their doors in 1985.

The construction schedule of the third tower is likely to depend on how quickly the first two are let.

• The Birmingham-based manufacturing group, is about to start work on a project which will transform about half of its 220-acre Witton complex into a 2m sq ft

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office block owned by London and Provincial Shop Centres and recently vacated by Banks Hovis McDougal has produced an annual rental of £700,000. The previous rent for the 55,000 sq ft building was £668,000 a year. J. Trevor, who acted for RHM in the review, are looking for a new tenant. Jones Lang Wootton acted for the landlord.

• Kent County Council Superfund, the Fund has paid just over £1m for the freehold of Saracis House, the 5,500 sq ft office building in St. Andrew's Hill, close to St. Paul's Cathedral. It is let at £75,000 a year to Saracis International Securities.

Overall, Exchange Square involves 1.6m square feet of space in three towers, with Hong Kong's new stock exchange located in the podium. The first two towers will open their doors in 1985.

The construction schedule of the third tower is likely to depend on how quickly the first two are let.

• The Birmingham-based manufacturing group, is about to start work on a project which will transform about half of its 220-acre Witton complex into a 2m sq ft

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office block owned by London and Provincial Shop Centres and recently vacated by Banks Hovis McDougal has produced an annual rental of £700,000. The previous rent for the 55,000 sq ft building was £668,000 a year. J. Trevor, who acted for RHM in the review, are looking for a new tenant. Jones Lang Wootton acted for the landlord.

• Kent County Council Superfund, the Fund has paid just over £1m for the freehold of Saracis House, the 5,500 sq ft office building in St. Andrew's Hill, close to St. Paul's Cathedral. It is let at £75,000 a year to Saracis International Securities.

Overall, Exchange Square involves 1.6m square feet of space in three towers, with Hong Kong's new stock exchange located in the podium. The first two towers will open their doors in 1985.

The construction schedule of the third tower is likely to depend on how quickly the first two are let.

• The Birmingham-based manufacturing group, is about to start work on a project which will transform about half of its 220-acre Witton complex into a 2m sq ft

engineering park. Phase one of the scheme, to be carried out by Holford Developments—an IMI subsidiary—will cost £23m and has attracted an urban development grant of £5.7m. It will cover 45 acres.

• The first rent review on Westpoint, the Slough office

Edward Rushton  
SOL & KENWOOD

SALFORD  
GTR MANCHESTER  
76,350 SQ FT  
INDUSTRIAL &  
OFFICE  
ACCOMMODATION  
ON A SITE OF  
7.3 ACRES.  
FOR SALE,  
FREEHOLD  
\* built 1961 and  
regularly maintained.  
\* expansion land.

061-834 1814

**WATFORD,**  
HERTS.  
FOR SALE  
100% L.B.A.'s  
Let or rental guarantee  
for 2 years by bank  
CLARK QUINNEY & CO.  
88/96 Fore Street  
Hertford, Herts.  
Tel: Hertford 57311

DEPART:  
OLD STREET  
ARRIVE:  
**BANK**  
TIME  
5MINS  
6,500-40,000sq.ft.  
£8p.s.f. TO LET  
REF C.J.R.  
01-236 4040

**CITY of LONDON**  
OFFICES  
TO LET SHORT-TERM  
Approx. 20,000 sq. ft.  
Write Box T5980  
Financial Times  
10 Cannon Street  
London EC4P 4BY

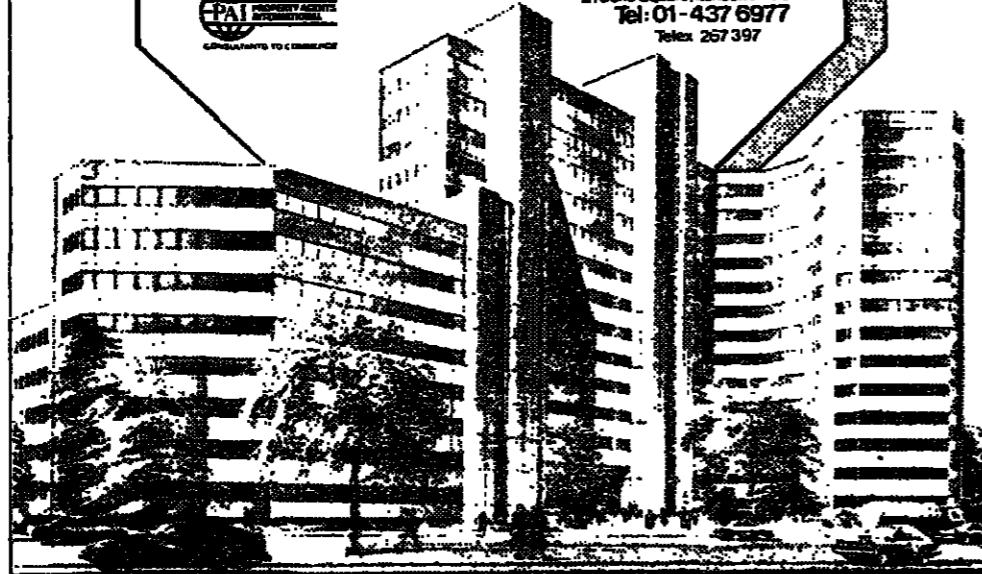
# Croydon

A DEVELOPMENT BY FRANTHORNE INVESTMENTS LTD.  
35 WELLESLEY ROAD  
A New Office Building of Distinction  
309,000 sq.ft.  
TO LET

- Advanced Technological Design
- Energy Conserving Installations
- Two High Quality Entrance Halls
- Maximum Office Flexibility
- Carpeting to all Office Areas
- Full Air-Conditioning
- Solar Shielding Double Glazing
- Suspended Ceilings with Recessed Self-Regulating Lighting
- Private Car-Parking
- Ten Passenger Lifts
- Standby Generator

**ALLSOP  
& CO**

21 Soho Square, London W1V 8AX  
Tel: 01-437 6977  
Telex 267397



TROLLOPE & COLLS CITY AT THE CHASE MANHATTAN BANK



### WHERE THE REFURBISHMENT HAS TO LIVE UP TO THE TECHNOLOGY.

The dealing room at the Chase Manhattan Bank's European headquarters at Workgate House in the City is the most technologically advanced of its kind in the world. It forms the centrepiece of a major, multi-million pound refurbishing contract carried out by Trollope & Colls (City).

#### 20 PHASES, ALL COMPLETED ON TIME

The building has over 300,000 square feet of space and our task was to refurbish all of it.

Our work ranged from the installation of new electrical and modernised mechanical services to the building of an entirely new staff restaurant in the former basement car park. In all we remodeled and upgraded ten floors of offices, right down to the carpeting and partitioning. In total there were no less than 20 phases of work, every one of which we completed in the allotted time.

#### BUILDING OCCUPIED THROUGHOUT

Throughout the 3½ year project, the building was

in use, which meant keeping noise and disruption to a minimum: no mean feat when you consider that during some phases there were 200 operatives on site.

#### HIGH TECHNOLOGY

The nerve centre of the building is the new dealing room. Dealers use the most sophisticated telecommunications available talking to their counterparts worldwide via touch-sensitive infra-red VDUs. Installed, were purpose-designed dealers' desks, sound-absorbing wall coverings, glare-free Paracube lighting, and a Halon gas fire protection system. There is also a highly advanced audio-visual conference room.

The face of international banking is changing rapidly. We're proud to say we're playing an important part in it.

Trollope & Colls (City) Limited

BUILD WITH CONFIDENCE  
TROLLOPE & COLLS CITY AT THE CHASE MANHATTAN BANK

## LONDON DOCK HOUSE

Two Period Office Buildings  
To be Let or sold on long lease  
Overlooking St Katherine's Dock E1

For further information contact

**Weatherall  
Green & Smith**  
City Agents for London E1  
01-638 9011

on behalf of

part of london properties (03752)  
5 Tudor Gardens, Chiswick, Middlesex UB8 1NA  
3444

## Warwick House

38 Soho Square, London W1  
6,800 sq.ft.

Prestige, air-conditioned  
office building.

To Let

George Trollope & Sons  
13 Holborn Place, London EC1N 7EP  
Tel: 01-235 8099

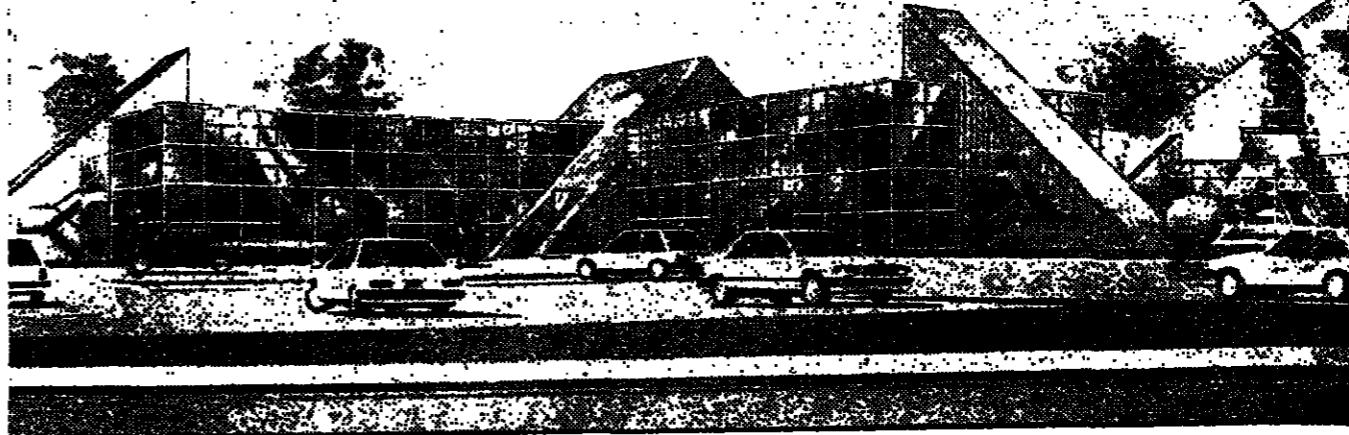
## FULLY FURNISHED OFFICES HYDE PARK S.W.1.

4,665 SQUARE FEET  
IMMEDIATE POSSESSION

BAILEY POSNER  
& PARTNERS  
01-629 4640

JONES LANG  
WOOTTON  
01-493 6040

MOVE INTO SPACE.  
SPECTACULAR MODULES TO  
BE LAUNCHED SHORTLY.



The Windmill Hill Business Centre, Europe's most exciting integrated business park, 2 minutes from the M4, on the outskirts of Swindon, now offers expanding companies spectacular technologically-advanced business modules with construction starting in January 1984.

Four highly individual units, set in parkland around an ornamental lake, providing up to sixteen modules of flexible space. Imaginatively designed in high-performance tinted reflective glass, each unit offers impressive internal features such as full air-conditioning with thermal recovery, raised computer floors at ground level, double glazing, parabolic

reflector ceiling lighting, high quality carpeting and maximum internal partition flexibility.

No two units are identical in size, giving a full range of choice between individual modules or combinations extending to one or two complete units.

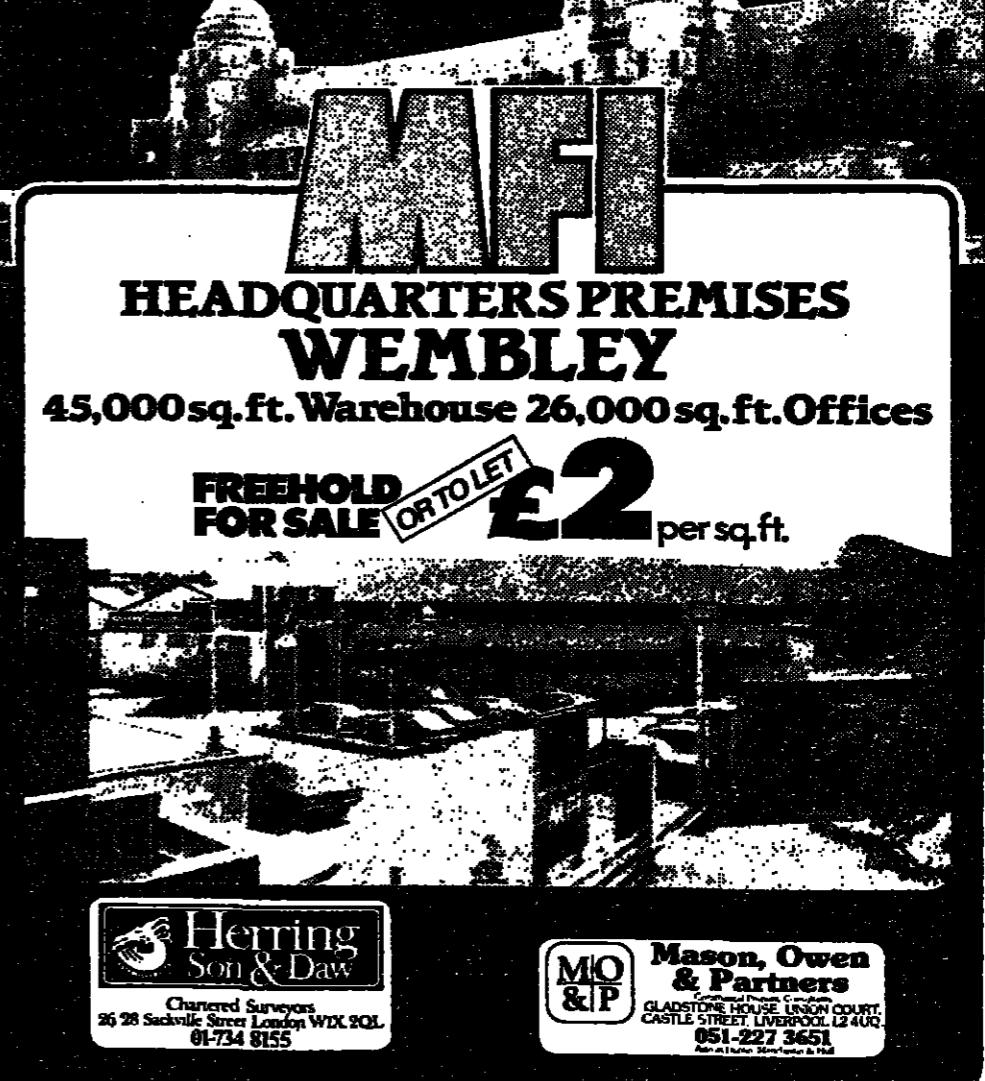
Units from 9,624-20,470 sq.ft.  
Individual modules from 1,970-6,242 sq.ft.

For full details of this remarkable opportunity to move into space, contact the joint agents.

**WINDMILL HILL**  
Hartnell  
Taylor Cook  
20 The Mall, Clifton,  
Bristol BS8 4DR.  
Tel: 0272 739061.  
K.F. Knight Frank & Rutley  
20 Hanover Square, London W1R 0AH  
Tel: 01-629 8171

**BUSINESS CENTRE  
SWINDON**

AFTER 12 YEARS OF SUCCESS  
WE ARE MOVING  
TO A NEW PITCH.



**Herring  
Son & Daw**

Chartered Surveyors  
35-38 Sackville Street, London W1X 9QL  
01-734 9125

**Mason, Owen  
& Partners**

GLADSTONE HOUSE, CROWN COURT,  
CASTLE STREET, LIVERPOOL L2 4UQ  
01-227 3651  
01-227 3651

## New Office Development Twickenham

Suites from 1050 to 9000 sq. ft.  
To Let with Car Parking

Ref: CGL  
01-499 1001  
01-405 8411

### OFFICES

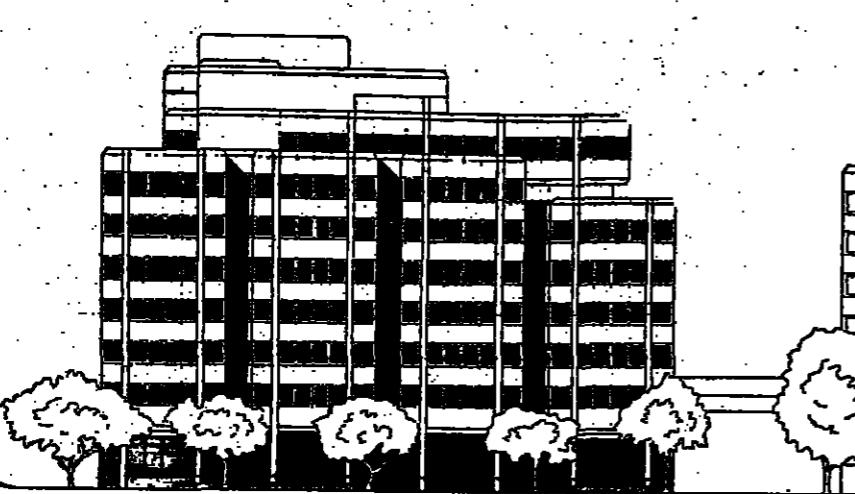
STATE AGENTS AND PROPERTY  
DEVELOPERS FOR THE  
UNITED STATES OF AMERICA AND  
CANADA

IBA INVESTMENTS, ALDERSHOT — New  
Industrial Developments, 100%, and 75%  
shares available. Tel: 0251 420422  
IBA INVESTMENTS, FRENCH BRANCH  
15 November in London Tel: 01-223 3607  
Deputy Tel: Miss Cooke 01-223 3607

### FOR SALE

BURY PLACE, WC1 — To Let/Frehold  
Site. Office space building 2,400 sq.  
ft. Tel: 01-223 3607  
IBA INVESTMENTS, FRENCH BRANCH  
15 November in London Tel: 01-223 3607  
Deputy Tel: Miss Cooke 01-223 3607  
Numbers: 01-242 3121

**CITY OF LONDON  
EBBGATE • HOUSE**  
SWAN LANE LONDON EC4  
PRESTIGIOUS AIR CONDITIONED  
• OFFICE BUILDING •  
129,140 sq. ft.  
TOLET



Sole Letting Agents  
**Daniel Smith**  
CHARTERED SURVEYORS  
32 ST JAMES'S STREET LONDON SW1A 1HT  
01-930 9385

## CONSIDERING RELOCATION BUT LACKING IN DIRECTION?

CONSIDER ASHWOOD HOUSE, CAMBERLEY  
44,000 SQUARE FEET OF QUALITY OFFICES  
AVAILABLE ON TWO FLOORS  
EACH OF 22,000 SQUARE FEET  
WITH 78 CAR PARKING SPACES

### TO BE LET

Pearson  
Williams  
(0776) 66223

DEBENHAM  
TEWSON &  
CHINNOCKS  
01-408 1161

ERNEST LLOWERS  
AND WILLIAMS  
01-629 8386

## MEDWAY CITY ESTATE ROCHESTER KENT

Seaward  
A developer by Seaward Properties Limited

130 ACRES  
OF FREEHOLD INDUSTRIAL LAND  
AVAILABLE IN PLOTS FROM 1/2 ACRE  
WITHIN THE

★ NORTH WEST KENT ★  
ENTERPRISE ZONE ★  
FULLY SERVICED PLOTS  
SOME WITH RIVER FRONTAGE

Sale Agents

Walter & Randall

73 New Road, Chatham, Kent. Tel: Medway (0343) 41233

## BASILDON ESSEX PRIME NEW OFFICES - M25

£6.50 Per sq.ft.

3,000-14,000sq.ft.

25Mins. City

Unlimited Parking

Flexible Lease Terms

Bairstow Eves

COMMERCIAL PROPERTY

76 High Street, Basildon, Essex CM4 4EE

Tel: Basildon 27622

FULLER  
PEISER

14 Belgrave Street,  
London SW1A 8EP

01-499 0931

100 YEARS OF EXPERIENCE 1882-1982



## UK COMPANY NEWS

J. Smart  
lower but  
beats its  
forecast

ALTHOUGH pre-tax profits at J. Smart & Company (Contractors) were down from £1.47m to £228,950 in the year to July 31 1983, the figure beats the £100,000 forecast in the interim report.

Group turnover, as adjusted for the change in stocks of finished goods and work in progress, rose from £12.6m to £13.5m. After tax considerably lower at £176,242 compared with £659,483, group profit on ordinary activities was £852,708 against £1,052,520.

The final dividend is unchanged at 2.85p net for a same-again total of 3.85p, and dividends for the year absorb £16,205 (3.85p).

Earnings per 10p share fell from 8.06p to 6.47p.

The directors say the tax charge was arrived at after crediting £69,996 over-provisions in previous years.

CASE £1.5m in the black  
after first six months

FOR THE six months to the end of September 1983, Computer and Systems Engineering produced pre-tax profits of £146m, which compares with losses of £21,000 for the nine months to October 1 1982. Turnover for this computer supplier, which establishes data communications networks, has expanded from £14.75m to £16.85m.

The net interim dividend has been proposed at 1.85p (1.575p). In the last full accounting period, which was for 15 months to the end of March, a final of 2.265p was paid equivalent to the directors said, to an annual rate of 3.15p.

Earnings per 20p share came to 14.2p on an actual basis (loss 10.5p) and claimed they were also 10.5p (2.2p).

Orders during the period under review remained buoyant, say the directors. While shipments rose substantially on the pro-rated equipment period, Gross margins have shown some improvement over the corresponding period last year,

despite a highly competitive market place. This reflects the increasing penetration achieved by the DCK range of networking with multiplexers and other Case manufactured products.

The company has continued to enhance the DCK range and further extend user switching capabilities that have been the key to this product's market dominance.

Heavy investment has continued in capital equipment, adding more than £1.6m during the period, and increased productivity has resulted through the number of factors of growth opportunities has been identified within the company's areas of expertise, and research and development projects are well advanced to meet these.

At the operating level profits came to £1.43m (losses £228,000). Tax amounted to £57,000.

Comment Computer and Systems Engineering

## Winding up orders against 121 companies

Compulsory winding up orders against 121 companies were made by Mr Justice Nourse in the High Court. They were made Polymer Sales, Cheshire, Mitchell, Malling and Mechanisation, Advanced Technologies and Research (UK), Carlisle and Steel Engineering Company, Central Credit Control (Midlands), Fulton and Co, Concrete, Taylor Made Music, Turner, Refrigeration, AMG Supplies, Pennine, De Coint Best Style, Quillport, La Columbina d'Oro, Arthur Richards and Sons (Stratford), Culver Construction Company, Corona Office Equipment, Burge and Galt, Multicross, Cheshires Garages (South-West), Torreton, To the Point, Fraser Key Fishing Company (Newhaven), Hackney Metals, Mason

Leisure, Travel Systems, Mithcell, Exothermic Research, Beckett, Penman and Co, Brian Coates, Bradenwood, Manchester Sheet Company (Contractors), Arcadan.

Walderman Safes, Brandon House, Elymwood, "Excel" Plating Company, R. H. Branson and Sons (Contractors).

The Music Discount Centre, D and R Thorpe Conversions, Strand (formerly Shura Finance), Charnwood, Grange, New Haven (K and G Karr), The White Hart, Hotel (Cagehill), O and M Motors, American Uniforms and Accessories, Alpine Sports (Properties), Maltrite, Ladysmith PTA, Fabrication (Nottingham), Shenor Engineering Service, Pagebrook, Troybey Levers (Prints and Fabrics), Emblyfield, Highgate Aeroplane Company, K and S Electrical Installations, Monty Video.

Ayrscouth, Kingscliffie Machinery, Basildon, The Hotel Godiva, MJ Realisations, Ramble, Aylesbury, Upstate, Diversified Industrial and Commercial Developments, Trafalgar Construction and Design Associates, Malvern Festival Society, Ambler Construction, Musson Flooring Supplies, Technicon International Management Services, WAV Building Contractors, DSK Properties, Lark Galleried, Millgate, Martin Productions, The White Hart, Hotel (Cagehill), O and M Motors, American Uniforms and Accessories, Alpine Sports (Properties), Maltrite, Ladysmith PTA, Fabrication (Nottingham), Shenor Engineering Service, Pagebrook, Troybey Levers (Prints and Fabrics), Emblyfield, Highgate Aeroplane Company, K and S Electrical Installations, Monty Video.

B. Kuson, Vickers and Sons (Engineers), GO TO IT Cafe, Andover, International Furniture, Triflute, Hudson Renovations, Medcast, Lynton Building and Landscape Company, Chelmon, Thorstane Computer, Cover, Beldford, Newfield, Monique Alpha Productions, Rotacrete, Elliott and Sisson.

The settlement was in favour of the Northern Bank Finance Corporation (NBFC), a subsidiary of Midland Bank. NBFC had already paid two quarterly instalments of money owing to Bula, partly with the help of Government funds.

Substantial sums are also due to allied Irish Bank and Ulster Bank - a Northwest subsidiary - but Bula remains optimistic that it can overcome the crisis and end the 10-year saga of attempts to get its mine into production.

Bula failed to get planning permission for open-cast mining at the site but hopes to be granted permission for underground development within the next two months. This the company believes, would enable it to attract new investors and negotiate a revised package.

There is disagreement however, about whether separate underground mining of the Bula ore would be economic. Bula estimates development costs at £35m but others put the figure at £50m.

Bula shares the orebody with Tara Hill and the ideal solution from the Government's point of view would be an agreement to jointly develop the mine. Tara

has been reluctant to get involved because of Bula's estimated £160m liabilities and because it believes metal prices may fall again in two years' time when Bula would be coming on stream with 150,000 tonnes of concentrate.

It is thought that Tara would be interested only in a complete takeover of Bula and even then its terms would be tough. The company is bracing itself for renewed Government pressure to reach an agreement.

## MINING NEWS

Hampton Areas  
in new venture

By KENNETH MARSTON, MINING EDITOR

FOLLOWING THIS week's news that Hampton Gold Mining would be paid £10m (£5.7m) to buy an interest in two major ventures to develop big gold projects, one in the United States and one in Canada.

The deal, which is the result of a "soft-free" gold exploration deal on part of its ground near Kalgoorlie in Western Australia.

The latest deal concerns Hampton Areas' location 53 lease which is close to the company's location 48. Readers with memories of the wild Australian nickel exploration boom of the late 1960s and early 1970s will recall that it was during this period that the company first transformed the fortunes of the company.

Nickel shoots from Western Mining's Kambalda discovery - which triggered the nickel rush - were found to extend into location 48. A deal was reached whereby Western Mining would mine them in conjunction with its own royalties to the company.

The area involved, covering some 6,672 hectares (16,420 acres), contains the old Ajax and Mt Marion gold workings which were closed in the 1940s.

Hampton Areas will have a 50 per cent interest in the venture. The other two partners will pay for the exploration work until at least A\$1.5m (£0.8m) has been spent and possibly to A\$3m at which time they will have earned a 75 per cent interest.

If the same turns up a mining proposition then, presumably, Hampton Areas will have to fit its share of the costs of taking it to production.

Otherwise the deal will carry no cost to Hampton Areas which may be able to turn to advantage a long sleeping asset.

## Ireland's Bula under financial pressures

THE IRISH Government is considering the implications of an out-of-court settlement by which the directors of Bula agreed to pay almost £5m to one of the company's bankers by next month.

The Government holds a 40 per cent stake in Bula which owns part of the lead and zinc ore body at Navan in County Meath, reports Brendan Keenan from Dublin.

The settlement was in favour of the Northern Bank Finance Corporation (NBFC), a subsidiary of Midland Bank. NBFC had already paid two quarterly instalments of money owing to Bula, partly with the help of Government funds.

Substantial sums are also due to allied Irish Bank and Ulster Bank - a Northwest subsidiary - but Bula remains optimistic that it can overcome the crisis and end the 10-year saga of attempts to get its mine into production.

Bula failed to get planning permission for open-cast mining at the site but hopes to be granted permission for underground development within the next two months. This the company believes, would enable it to attract new investors and negotiate a revised package.

There is disagreement however, about whether separate underground mining of the Bula ore would be economic. Bula estimates development costs at £35m but others put the figure at £50m.

Bula shares the orebody with Tara Hill and the ideal solution from the Government's point of view would be an agreement to jointly develop the mine. Tara

has been reluctant to get involved because of Bula's estimated £160m liabilities and because it believes metal prices may fall again in two years' time when Bula would be coming on stream with 150,000 tonnes of concentrate.

It is thought that Tara would be interested only in a complete takeover of Bula and even then its terms would be tough. The company is bracing itself for renewed Government pressure to reach an agreement.

The settlement was in favour of the Northern Bank Finance Corporation (NBFC), a subsidiary of Midland Bank. NBFC had already paid two quarterly instalments of money owing to Bula, partly with the help of Government funds.

Substantial sums are also due to allied Irish Bank and Ulster Bank - a Northwest subsidiary - but Bula remains optimistic that it can overcome the crisis and end the 10-year saga of attempts to get its mine into production.

Bula failed to get planning permission for open-cast mining at the site but hopes to be granted permission for underground development within the next two months. This the company believes, would enable it to attract new investors and negotiate a revised package.

There is disagreement however, about whether separate underground mining of the Bula ore would be economic. Bula estimates development costs at £35m but others put the figure at £50m.

Bula shares the orebody with Tara Hill and the ideal solution from the Government's point of view would be an agreement to jointly develop the mine. Tara

has been reluctant to get involved because of Bula's estimated £160m liabilities and because it believes metal prices may fall again in two years' time when Bula would be coming on stream with 150,000 tonnes of concentrate.

It is thought that Tara would be interested only in a complete takeover of Bula and even then its terms would be tough. The company is bracing itself for renewed Government pressure to reach an agreement.

The settlement was in favour of the Northern Bank Finance Corporation (NBFC), a subsidiary of Midland Bank. NBFC had already paid two quarterly instalments of money owing to Bula, partly with the help of Government funds.

Substantial sums are also due to allied Irish Bank and Ulster Bank - a Northwest subsidiary - but Bula remains optimistic that it can overcome the crisis and end the 10-year saga of attempts to get its mine into production.

Bula failed to get planning permission for open-cast mining at the site but hopes to be granted permission for underground development within the next two months. This the company believes, would enable it to attract new investors and negotiate a revised package.

There is disagreement however, about whether separate underground mining of the Bula ore would be economic. Bula estimates development costs at £35m but others put the figure at £50m.

Bula shares the orebody with Tara Hill and the ideal solution from the Government's point of view would be an agreement to jointly develop the mine. Tara

has been reluctant to get involved because of Bula's estimated £160m liabilities and because it believes metal prices may fall again in two years' time when Bula would be coming on stream with 150,000 tonnes of concentrate.

It is thought that Tara would be interested only in a complete takeover of Bula and even then its terms would be tough. The company is bracing itself for renewed Government pressure to reach an agreement.

The settlement was in favour of the Northern Bank Finance Corporation (NBFC), a subsidiary of Midland Bank. NBFC had already paid two quarterly instalments of money owing to Bula, partly with the help of Government funds.

Substantial sums are also due to allied Irish Bank and Ulster Bank - a Northwest subsidiary - but Bula remains optimistic that it can overcome the crisis and end the 10-year saga of attempts to get its mine into production.

Bula failed to get planning permission for open-cast mining at the site but hopes to be granted permission for underground development within the next two months. This the company believes, would enable it to attract new investors and negotiate a revised package.

There is disagreement however, about whether separate underground mining of the Bula ore would be economic. Bula estimates development costs at £35m but others put the figure at £50m.

Bula shares the orebody with Tara Hill and the ideal solution from the Government's point of view would be an agreement to jointly develop the mine. Tara

has been reluctant to get involved because of Bula's estimated £160m liabilities and because it believes metal prices may fall again in two years' time when Bula would be coming on stream with 150,000 tonnes of concentrate.

It is thought that Tara would be interested only in a complete takeover of Bula and even then its terms would be tough. The company is bracing itself for renewed Government pressure to reach an agreement.

The settlement was in favour of the Northern Bank Finance Corporation (NBFC), a subsidiary of Midland Bank. NBFC had already paid two quarterly instalments of money owing to Bula, partly with the help of Government funds.

Substantial sums are also due to allied Irish Bank and Ulster Bank - a Northwest subsidiary - but Bula remains optimistic that it can overcome the crisis and end the 10-year saga of attempts to get its mine into production.

Bula failed to get planning permission for open-cast mining at the site but hopes to be granted permission for underground development within the next two months. This the company believes, would enable it to attract new investors and negotiate a revised package.

There is disagreement however, about whether separate underground mining of the Bula ore would be economic. Bula estimates development costs at £35m but others put the figure at £50m.

Bula shares the orebody with Tara Hill and the ideal solution from the Government's point of view would be an agreement to jointly develop the mine. Tara

has been reluctant to get involved because of Bula's estimated £160m liabilities and because it believes metal prices may fall again in two years' time when Bula would be coming on stream with 150,000 tonnes of concentrate.

It is thought that Tara would be interested only in a complete takeover of Bula and even then its terms would be tough. The company is bracing itself for renewed Government pressure to reach an agreement.

The settlement was in favour of the Northern Bank Finance Corporation (NBFC), a subsidiary of Midland Bank. NBFC had already paid two quarterly instalments of money owing to Bula, partly with the help of Government funds.

Substantial sums are also due to allied Irish Bank and Ulster Bank - a Northwest subsidiary - but Bula remains optimistic that it can overcome the crisis and end the 10-year saga of attempts to get its mine into production.

Bula failed to get planning permission for open-cast mining at the site but hopes to be granted permission for underground development within the next two months. This the company believes, would enable it to attract new investors and negotiate a revised package.

There is disagreement however, about whether separate underground mining of the Bula ore would be economic. Bula estimates development costs at £35m but others put the figure at £50m.

Bula shares the orebody with Tara Hill and the ideal solution from the Government's point of view would be an agreement to jointly develop the mine. Tara

has been reluctant to get involved because of Bula's estimated £160m liabilities and because it believes metal prices may fall again in two years' time when Bula would be coming on stream with 150,000 tonnes of concentrate.

It is thought that Tara would be interested only in a complete takeover of Bula and even then its terms would be tough. The company is bracing itself for renewed Government pressure to reach an agreement.

The settlement was in favour of the Northern Bank Finance Corporation (NBFC), a subsidiary of Midland Bank. NBFC had already paid two quarterly instalments of money owing to Bula, partly with the help of Government funds.

Substantial sums are also due to allied Irish Bank and Ulster Bank - a Northwest subsidiary - but Bula remains optimistic that it can overcome the crisis and end the 10-year saga of attempts to get its mine into production.

Bula failed to get planning permission for open-cast mining at the site but hopes to be granted permission for underground development within the next two months. This the company believes, would enable it to attract new investors and negotiate a revised package.

There is disagreement however, about whether separate underground mining of the Bula ore would be economic. Bula estimates development costs at £35m but others put the figure at £50m.

Bula shares the orebody with Tara Hill and the ideal solution from the Government's point of view would be an agreement to jointly develop the mine. Tara

has been reluctant to get involved because of Bula's estimated £160m liabilities and because it believes metal prices may fall again in two years' time when Bula would be coming on stream with 150,000 tonnes of concentrate.

It is thought that Tara would be interested only in a complete takeover of Bula and even then its terms would be tough. The company is bracing itself for renewed Government pressure to reach an agreement.

The settlement was in favour of the Northern Bank Finance Corporation (NBFC), a subsidiary of Midland Bank. NBFC had already paid two quarterly instalments of money owing to Bula, partly with the help of Government funds.

Substantial sums are also due to allied Irish Bank and Ulster Bank - a Northwest subsidiary - but Bula remains optimistic that it can overcome the crisis and end the 10-year saga of attempts to get its mine into production.

Bula failed to get planning permission for open-cast mining at the site but hopes to be granted permission for underground development within the next two months. This the company believes, would enable it to attract new investors and negotiate a revised package.

There is disagreement however, about whether separate underground mining of the Bula ore would be economic. Bula estimates development costs at £35m but others put the figure at £50m.

Bula shares the orebody with Tara Hill and the ideal solution from the Government's point of view would be an agreement to jointly develop the mine. Tara

has been reluctant to get involved because of Bula's estimated £160m liabilities and because it believes metal prices may fall





## NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

## A FINANCIAL TIMES SURVEY

# CUMBRIA

DECEMBER 9, 1983

The Financial Times is proposing to publish a Survey on Cumbria in its issue of December 9, 1983.

The Financial Times is proposing to publish a Survey on Cumbria in its issue of December 9, 1983. The provisional editorial synopsis is set out below.

**INTRODUCTION:** Cumbria is the second largest county in England and Wales. Though it is a mainly rural area, good communications provided by the M6 motorway, the main West Coast London to Edinburgh rail line and services from Carlisle Airport provide a solid foundation for industry. An unemployment rate lower than the national average masks the economic problems of West Cumbria which has suffered industrial shrinkage. The Survey will examine new initiatives designed to bolster the county's economy.

designed to bolster the country's Editorial coverage will also include

**INDUSTRY PROPERTY ENTERPRISE ZONE TOURISM**

*For further information and advertisement rates please contact:  
Brian Heron*

Brian Heron  
Financial Times Limited, Queen's House, Queen Street, Manchester M2 5HT

Telephone: 061-834 9381 Telex: 666813 FINTIMG

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of all Surveys are subject to change at the discretion of the Editor

**Continued on Page 27**

## AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

**Continued on Page 2**

## **NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES**

**Continued on Page 28**

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks, plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise se-

a-dividend also extra(s), b-annual rate of dividend plus stock dividend c-liquidating dividend cld-called d-new yearly low e-dividend declared or paid in preceding 12 months g-dividend in Canadian funds subject to 15% non-resident tax i-dividend declared after split-up or stock dividend. i-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year an accumulative issue with dividends in arrears l-new issue in the past 52 weeks The high-low range begins with the start of trading m-next day delivery P-price E-earnings ratio r-dividend declared or paid in preceding 12 months plus stock dividend s-stock split. Dividends begin with date of split. s/s-salary t-dividend paid in stock in preceding 12 months estimated cash value on z-dividend or ex-distribution date u-new yearly high v-trading halted x-in bankruptcy or receivership or being re-organised under the Bankruptcy Act or securities assumed by such companies wd-when distributed wi-when issued wi-with warrants x-ex-dividend or ex-rights y-dis-ex-distribution z-without warrants y-ex-dividend and sales in full. Yd-yield.









## **AUTHORISED UNIT TRUSTS**

AVERAGE UNIT TOTALS		UNIT FUND	
1.3 St Paul's Churchyard	ECAP 40X	01-2026	190
High Income			
Cap. & Fixed Int.	\$16.3	722.0	+0.2
High Int. Equity	\$1.1	54.9%	+0.1
Specialty Growth	\$0.9	209.5	+0.1
America's Growth	\$0.8	54.5	+0.0
Capital Income	\$0.1	50.4	+0.1
Commodity & Energy	\$2.2	77.5	+0.7
General	\$0.5	59.8	+0.7
Japan	\$0.4	112.0	+0.7
UK Growth	\$0.4	55.7%	+0.3
Asc. Units	\$0.6	74.6	+0.7
Worldwide Bond	\$14.0	145.1	+0.1
Equity Prop.	\$17.0	126.5%	+0.4

AVERAGE UNIT TOTALS		UNIT FUND	
1. Worship St. EC2			01-428665
American Tech Fd.	\$0.9	149	+0.1
Int. & Govt Fd.	\$1.2	35.5	+0.1
Pacific Fd.	\$0.9	120.4	+1.2
International Fd.	\$0.4	100.2	+0.3
Specialty Stks	\$27.8	245.7	+0.6
Energy Fd.	\$24.3	220.0	+1.5
Except. Fd.	\$62.0	510.0	+0.5
Small Cap's Fd.	\$26.2	204.0	+0.6
Jap. Technology	\$9.0	52.7	+0.1
Average Rates	1.00		
Treasury Accs	—	—	9.0
Mutlity Income Accs	—	—	9.0

## FT UNIT TRUST INFORMATION SERVICE

**Authorised Units—continued**

Atlanta Unit Trust Managers Ltd  
Founders Ct, Lutonshire, LU2 01-600 8664  
Fax & Far East 01-600 56.00 ..... 1.0  
ailille, Gifford and Co Ltd  
  
Glenfinnan St, Edinburgh, 031-225 2581  
1000-1000 2581.5 ..... 0.5  
1000-1000 257.5 ..... 1.25  
GPNTpD15 214.2 ..... 2.25 .....  
1 Next dealing day.  
\*Unauthorised.  
  
equity & Law Un Tst Magnt (a) (b) (c)  
mersham Rd, High Wycombe, 0494 33377  
uro Tst Acc 61.2 65.7xd —0.5 1.49  
  
Robert Fleming & Co Ltd  
Crosby Square, EC3A 8AN. 01-638 5858  
MnFrd 6297 53 263.31 ..... 0.69  
pFpF 5159.56 164.65 ..... 1.16  
  
Next subscription day Nov 1 1985.  
\*Fleming Americas Property Unit Trust  
Initial price £15.00, £15.00 62.1  
per unit, £15.00 15.00 15.00 15.00 15.00

**Offshore and Overseas—continued**

**F.T. CROSSWORD  
PUZZLE No. 5,260**

**ACROSS**

- Where in Bucks there is real poverty? (5, 9)
- Starts to open newly introduced cold drink (5)
- I'm favourite having speed to obtain by petition (9)
- Won back exhibit (7)
- Personal chattel owned by odd Dean? (7)
- Calm beginner seen in an atelier (5)
- Caledonia uncommonly luke-warm in religion (9)
- Behave like a stag (9)
- He wouldn't like much 10! (5)
- Bandage soldier led astray (7)
- South African and French, there's money in cloth (7)
- It fills a gap (9)
- ... (7)

A crossword puzzle grid with numbered squares. The grid consists of 63 squares arranged in a grid pattern. Numbered squares are located at the following coordinates: Row 1: 1, 2, 3, 4, 5, 6, 7, 8. Row 2: 9, 10, 11. Row 3: 12, 13. Row 4: 14, 15, 16, 17, 18. Row 5: 19, 20, 21. Row 6: 22, 23, 24, 25, 26. Row 7: 27, 28. The grid has several blacked-out areas, indicating empty or non-letter squares.

29 Pets look up for exercise it's plain (6)

30 Smoother worker? (8)

31 Involuntary way to have retirement extended (9)

32 Letter is thoughtful but costly (9)

33 Relations working in the theatre perhaps (7)

34 A hill up to the railway club (6)

35 Some clap puissance movements on horseback (5)

36 Heath minister I can't find in here (5)

26 It comes up to beat Hyperia for one (5)

Solution to Puzzle No. 5,259

WILDCOCK	APACHE
A E C A	B C E B
MISDOUBT	STEPHENS
P J S J	S H I C
ECLAT	RECRUITER
A J E C N T	T I T R A T E
S E T O U T	T I T R A T E
A N Y Y	E S R
PITHEAD	BIRACT
O A E O	E A M
SHIPSHAPE	BARGE
T N T L S O	E B
ASTRAY	SKEWBALD
T R T I E I L	ELOPER
	ENTRANCE

### Insurances—continued

Insurance - continued		Scottish Provident Institution	
Life Assurance Co Ltd	Station Rd, New Barnet, Herts	6 St Andrew Sq, Edinburgh	031-556 9181
Fund Managers	Touche Rossant & Co	Equity	100.3 +0.3
Select A	23.6 24.9	International	95.4 100.5 +0.4
Blue Chip	17.8 18.2	Property	95.2 100.3 +0.3
Fixed Yield	17.8 18.8	Fd Interest	95.0 100.1 +0.1
Grand Money	14.8 15.6	Index-Linked	94.9 100.0 +0.3
Guarantees	19.0 19.8	Cash	95.1 100.2 +0.2
International	22.1 22.5	Pen Manag Init	95.0 100.1 +0.1
Property	15.0 15.7	Do Ord	95.2 100.3 +0.3
Pacific	16.4 17.3	Pen Eq Init	95.4 100.6 +0.5
Equity	13.5 14.3	Do Ord	95.5 100.6 +0.5
Special Sits	20.1 21.2	Pen Inst Init	95.2 100.3 +0.1
International	12.5 13.2	Do Ord	95.2 100.3 +0.1
India Ltd Secs	10.5 11.1	Pen Prop Init	95.0 100.0
American	77.5 78.5	Do Ord	95.0 100.0
London Life Linked Assn Ltd	6272-279179	Pen Inst Int	95.0 100.0
100 Temple St, Bristol BS1 6EA		Do Ord	95.6 100.3 +0.4
Equity	218.2 222.6	Pen Ind Lk	95.0 100.1 +0.1
Fixed Int	167.0 167.8	Do Ord	95.1 100.2 +0.1
Invest	149.3 151.2	Pen Cash Int	95.0 100.1 +0.1
Deposit	14.0 14.5	Do Ord	95.0 100.1 +0.1
Mixed	158.2 158.8		
Invest Stk	109.3 109.8		
International	113.2 115.4		
London Life Managed Funds Ltd		Skandia Life Assurance Co Ltd	
Equity(P)	156.2 161.6	Manager Mngd	152.4 159.0 +0.6
Fixed Int(P)	172.5 173.7	Equity	155.3 156.5 +0.2
Invest(P)	127.0 127.8	International	176.2 185.5 +1.1
Deposit(P)	122.4 123.4	N America	105.6 111.2 +1.8
Mixed(P)	151.0 154.6	N European	104.5 110.0 +0.4
Invest Stk	115.4 116.2	Pacific	108.3 114.0 +0.2
Int Equity	109.5 111.2	Life Recovery	112.8 118.7 +0.4
		Gift Plus	149.6 149.6 +0.2
		Income	128.1 130.0 +0.2
		Deposit	132.0 138.0 +0.4
		Pen Mngd	180.6 190.1 +0.5
		Pen Equity	185.4 192.5 +1.1
		Pen Instl	213.7 224.9 +1.2
		Pen Int A	107.6 113.3 +1.6
		Pen Inst B	111.2 115.1 +0.5
		Pen Pacific	111.2 115.1 +0.5
		Pen Int-Rec	115.8 122.0 +0.6
		Pen Gp1s	171.2 180.2 +0.2
		Pen Prop	157.5 165.8 +0.7
		Pen Dep	161.6 170.1
		For prices of Capital Units and Guaranteed	
		Basic Rates please phone 0703-334471	
Moneywise Friendly Society		Target Life Assurance Co Ltd	
10 Holdenhurst Rd, Bournemouth	0202 295678	Target House,	Gatcombe Road, Aylesbury, Aylesbury (0255) 5547
Meywaymalt	47.9 51.0	Bucks	55
Municipal Life Assurance Ltd		U.S. Dollar	55
199 Sandring Rd, Maidstone	0622 679351	Swiss Franc	55
Pen Fund	95.0 101.0	Deutsche Mark	55
Managed Fd	110.0	Yen	55
		TSL Life Ltd	
Premium Life Assurance Co Ltd		PO Box 5, Keens House, Andover, Hants	
103 Winchester House, Haywards Heath,	0444-455721	SP10 1PG	
Int Reserves	101.0 107.0	Managed Fd	104.6 110.4 +0.2
Int Equity	140.0 148.0	Property Fd	98.7 103.4
Int Bond & Equity	121.0 142.0	Income Fd	101.3 106.7 +0.1
Arrester Fd	96.0 102.0	Equity Fd	98.1 103.4
Prudential Pensions Ltd		Equity Fd	110.2 116.1 +0.5
101bors, Ears, EC1 2NH,	01-405 9222		
Long-Term Retirement Plan			
Managed Fd	143.4 149.4		
dash Fd	113.7 118.5		
St George Assurance Co Ltd			
St George, Hitchin, Herts.	0462 57161		
Universal Fd	102.6 106.5		
Universal Fd	99.6 104.5		
Save & Prosper Group			
St Georges, London EC3R 9EP			
Int Pen Fd	187.5 196.5	Windsor Life Assurance Co Ltd	
Int Pen Fd	177.7 182.2	Royal Albert Hse, Sheep St, Windsor, Berks	
Int Pen Fd	187.5 196.5	77.0(A) 80.0(B)	
Int Pen Fd	187.5 196.5		

**CLASSIFIED ADVERTISEMENT RATES**

	Per line	Single column cm. Minimum 3 lines
Commercial and Industrial Property	8.50	30.00
Residential Property	6.50	22.00
Appointments	9.00	31.50
Business, Investment Opportunities		
Business for Sale/Wanted	8.50	30.00
Personal	6.50	22.00
Motor Cars	6.50	22.00
Hotels and Travel	6.50	22.00
Contracts and Tenders	8.50	30.00
Book Publishers	—	net 14.00



## COMMODITIES AND AGRICULTURE

## Query on legality of Pik payments

BY NANCY DUNNE IN WASHINGTON

THE General Accounting Office (GAO), Congress' investigative agency, has issued two reports questioning the legality of provisions in the Administration's Payment-in-Kind (Pik) acreage reduction programme and demonstrating that Pik is providing huge payments to wealthy farmers.

In one report, the GAO found that the U.S. Department of Agriculture (USDA) is violates the law when it gives a \$50,000 limit on payments to individual farmers. The department had claimed that without the waiver participation in the programme would be so limited as to make Pik ineffective.

USDA attorneys' ruled that the \$50,000 limit could be dropped because Pik farmers were being given surplus crops instead of cash.

A GAO survey of 708 farms participating in the programme found they were averaging \$175,000 in free commodities, with 35 farms receiving crops worth over \$500,000 and another seven receiving payments valued at more than \$2m. Of the ten farms scheduled to get the

largest payment, eight were cotton producers in California.

The accounting office said that Pik may cost the government as much as \$11bn in forfeited assets, and it concluded that the programme will probably not achieve the budget savings promised.

Mr Fortney Stark, Democratic congressman from California and chairman of a House ways and means subcommittee, said hearings on tax aspects of the Pik programme yesterday to question the special tax treatment given on Pik commodities.

He is expected to push for an end to the tax break on grounds that the programme is working most to the benefit of the wealthiest farmers.

"I suspect that Pik was going to be a licence to steal, and now we have the GAO findings," he said.

The Department of Agriculture is planning to continue the Pik programme for wheat farmers in 1984. But, unless it is forced to by Congress, there is unlikely to be a 1984 Pik for feed grains because stocks have been cut drastically.

## Sugar at 6-month lows

BY RICHARD MOONEY

THE FALL in world sugar values was resumed yesterday taking prices to new six-month lows. After steady £2 on Wednesday, the London daily raw sugar price was fixed £7 down at £130 a tonne, bringing the recent fall to £40 in just over three weeks.

A dramatic turnaround in growing conditions is largely responsible for the recent fall. Late plantings and lack of rainfall early in the season had led to expectations of a sharp fall in world sugar production and a reduction of more than 3m tonnes in world stocks.

But in the face of much improved growing conditions in the autumn the expected stocks drawdown has been cut back to 1m tonnes or less by most analysts.

In a recent assessment a U.S. Agriculture Department economist actually forecast that world sugar stocks would rise by more than 700,000 tonnes in 1983-84 season.

Traders said yesterday's reduced price decline followed on from Wednesday's after-hours trend and was encouraged by free availability of physical sugar for nearby delivery

## Boost for Jamaica bauxite refinery

## Sheepmeat proposals 'bad for Britain'

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission yesterday proposed reforms to the EEC's sheepmeat regime which will anger British lamb producers and threaten current levels of New Zealand exports to the Community.

"Bad for Britain" was one UK official's first response to the proposals, which extend to sheepmeat the zealous quest for economies being applied to other sectors of the Common Agricultural Policy.

The most objectionable feature from the British point of view is a plan to put a 25 per cent ceiling on the variable slaughter premium. This is a sort of deficiency pay-

ment which bridges the gap between the market price in the UK and the EEC guaranteed guide price. This year the premium has averaged 37 per cent of the guide price.

Introduced in May 1980 as a solution to the Anglo-French sheepmeat war, the cost of the programme has rocketed from \$3m (£20m) in 1980 to \$100m (£60m) this year. More than 95 per cent of the exports come from the UK and now is the time, says the commission, "to keep expenditure within reasonable limits."

The Commission proposes

negotiations with third country suppliers "with a view to reducing the quantities laid down in the existing voluntary restraint agreements," and introduction of a minimum import price.

The restraint agreements currently limit imports into the EEC to 325,000 tonnes a year, but this total has never yet been reached. New Zealand is much the largest supplier, accounting for 244,000 tonnes out of last year's total imports of 251,000 tonnes. Total production this year is forecast at 740,000 tonnes and consumption at around 570,000 tonnes. At

commission says this should rise to 770,000 tonnes in 1985 against consumption of 930,000 tonnes. Restrictions on imports would therefore seem to be aimed at averting any possible over-supply of the market.

Richard Mooney adds EEC plans to limit the growth of the Community's milk production will distort the market and build up new problems for the future, says Mr Michael Jopling, the UK Farm Minister. He was "disappointed" that the commission had rejected the method of applying the production threshold which was used at this year's price fixing.

## EEC soya imports expected to drop

By Nancy Dunne in Washington

HIGH PRICES and weak demand are expected to reduce EEC soybean imports by about 900,000 tonnes in 1983-84, the U.S. Department of Agriculture (USDA) reported at its annual outlook conference this week.

Altogether, U.S. soybean exports are forecast to decline about 5m tonnes, while exports from Brazil, Argentina and Paraguay are expected to increase by 1.2m tonnes.

World oilseed production is expected to fall 16.4m tonnes from last year, principally because of the U.S. soybean shortfall. World soybean meal consumption is expected to fall 5 per cent and for the first time in years soya bean oil consumption is expected to decline about 300,000 tonnes.

While prices will be high, they are expected to peak by the end of the marketing year—the soybean meal market is a buyers' one for export. USDA expects East European meal imports to decline about 500,000 tonnes due to the region's financial problems, and EEC meal imports are expected to decline about 300,000 tonnes at higher prices ratios usage.

The USSR is the only major importer expected to increase its meal imports, but the rise is forecast to be much smaller than the 900,000 tonne increase last year.

Reduction in feed grain and soybean production, principally in the U.S., leading to higher prices will moderate gains in meat and egg output in some countries and contribute to declines in others.

World production of red meat and poultry will continue sluggish growth, rising about 1 per cent this year and increasing slightly in 1984.

## Fears over EEC reforms stalk the land

FARMER'S VIEWPOINT: By John Cherrington

A new mood was abroad. For the first time in several years the trade for breeding sheep, particularly in the South of England was subdued. In the early part of the selling season this was because of the drought and latterly because of unkind notes from Brussels.

Already the ewe premium advanced payment, which should have been made in October, was delayed until the New Year. Not a matter of great moment, at a somewhat below 53 per cent.

The variable premium on lamb is of much greater concern. This guarantees that the price received from the lamb in the markets is made up to the guide price, or guarantee. So far this year the premium has averaged 37 per cent of the guide price and at times has approached 50 per cent.

The Commission's suggestion is that in future the premium should amount to no more than 25 per cent of the guide price, effectively reducing the return on a farmer's lambs unless the market price rises. It should

be emphasised that this has not yet been agreed by the Council of Ministers.

In dairyfarming there is even more apprehension. The facts of the butter mountain and other surpluses are well known.

There are farmers who support the Milk Marketing Board line, reiterated by Sir Steve Herbert, its chairman. They believe that there is British surplus and that this country still imports milk products—but that's needed is better marketing.

Sir Steve is particularly scathing about suggestions of a super levy of 7.5c cent on each ton over the 1981 norm, which he claims would be a brake on efficient farmers and the young. Production quotas, which will possibly entail, are anathema to him.

There are voluntary restrictions on sheep meat imports agreed by exporters, mainly New Zealand, which the Commission hopes to reduce further. But these have been more than matched by increases in UK production. None of the suggested reforms have yet been implemented and possibly never will be, but farmers are feeling threatened and are proceeding with caution.

## AMERICAN MARKETS

NEW YORK November 3

SUGAR 500 lb. cents/lb

COTCO 10 tonnes, \$/tonnes

Close High Low Prev

Jan 2.03 2.03 1.95 1.95

March 2.43 2.45 2.45 2.45

May 2.75 2.78 2.78 2.78

July 3.12 3.12 3.08 3.08

Sept 3.44 3.44 3.44 3.44

Oct 3.52 3.52 3.52 3.52

Dec 3.65 3.65 3.65 3.65

March 3.80 3.80 3.80 3.80

Close High Low Prev

Jan 2.05 2.05 2.05 2.05

March 2.30 2.30 2.30 2.30

May 2.55 2.55 2.55 2.55

July 2.80 2.80 2.80 2.80

Sept 3.05 3.05 3.05 3.05

Oct 3.20 3.20 3.20 3.20

Dec 3.35 3.35 3.35 3.35

March 3.50 3.50 3.50 3.50

Close High Low Prev

Jan 2.05 2.05 2.05 2.05

March 2.30 2.30 2.30 2.30

May 2.55 2.55 2.55 2.55

July 2.80 2.80 2.80 2.80

Sept 3.05 3.05 3.05 3.05

Oct 3.20 3.20 3.20 3.20

Dec 3.35 3.35 3.35 3.35

March 3.50 3.50 3.50 3.50

Close High Low Prev

Jan 2.05 2.05 2.05 2.05

March 2.30 2.30 2.30 2.30

May 2.55 2.55 2.55 2.55

July 2.80 2.80 2.80 2.80

Sept 3.05 3.05 3.05 3.05

Oct 3.20 3.20 3.20 3.20

Dec 3.35 3.35 3.35 3.35

March 3.50 3.50 3.50 3.50

Close High Low Prev

Jan 2.05 2.05 2.05 2.05

March 2.30 2.30 2.30 2.30

May 2.55 2.55 2.55 2.55

July 2.80 2.80 2.80 2.80

Sept 3.05 3.05 3.05 3.05

Oct 3.20 3.20 3.20 3.20

Dec 3.35 3.35 3.35 3.35

March 3.50 3.50 3.50 3.50

Close High Low Prev

Jan 2.05 2.05 2.05 2.05

March 2.30 2.30 2.30 2.30

May 2.55 2.55 2.55 2.55

July 2.80 2.80 2.80 2.80

Sept 3.05 3.05 3.05 3.05

Oct 3.20 3.20 3.20 3.20

Dec 3.35 3.35 3.35 3.35

March 3.50 3.50 3.50 3.50

Close High Low Prev

Jan 2.05 2.05 2.05 2.05

March 2.30 2.30 2.30 2.30

May 2.55 2.55 2.55 2.55

July 2.80 2.80 2.80 2.80

Sept 3.05 3.05 3.05 3.05

Oct 3.20 3.20 3.20 3.20

Dec 3.35 3.35 3.35 3.35

March 3.50 3.50 3.50 3.50

Close High Low Prev

Jan 2.05 2.05 2.05 2.05

March 2.30 2.30 2.30 2.30

May 2.55 2.55 2.55 2.55

July 2.80 2.80 2.80 2.80

Sept 3.05 3.05 3.05 3.05

Oct 3.20 3.20 3.20 3.20

Dec 3.35 3.35 3.35 3.35

March 3.50 3.50 3.50 3.50

Close High Low Prev

Jan 2.05 2.05 2.05 2.05

March 2.30 2.30 2.30 2.30

May 2.55 2.55 2.55 2.55

July 2.80 2.80 2.80 2.80

Sept 3.05 3.05 3.05 3.05

Oct 3.20 3.20 3.20 3.20

Dec 3.35 3.35 3.35 3.35

March





## SECTION IV

## FINANCIAL TIMES SURVEY

## Industrial Property

High technology industry could offer important new opportunities for developers, while in the London area the opening of the M25 shortly will also bring a new stimulus. Too much older property is still overhanging the market generally, however, much of which may never be brought back into use again

## Vacant space starts to drop

BY WILLIAM COCHRANE

IN HIS book "The Third Wave," describing the new technological revolution, author Alvin Toffler speculates on a return to cottage industry on a much higher technological basis. "Our biggest factories and office towers may within our lifetimes stand half empty, reduced to use as ghostly warehouses or converted into living space," he suggests.

However, Mr Toffler also talks about today, or today as it was when the book was published in 1980. "One of the most advanced manufacturing facilities in the world," so he was told, was a Hewlett-Packard factory at Colorado Springs in the U.S. The facility turned out \$100m worth a year of electronic apparatus and employed 1,700 people.

It might be over optimistic to suppose that the new wave holds out similar prospects for UK industry. In their 1982 report "Property and Technology — the needs of modern industry," London agents Herring Son & Daw said that the U.S. and Japan already dominated most sectors of the electronic components and

applications market and that Britain was unlikely to catch up, except in certain specialist sectors.

But the attempt has to be made and indeed is being made. Technological revolution is not confined to the electronics industry. The new Survey Research Park development team reckons that biotechnology, drugs and toxicology are the major strength of the University of Surrey's research base at Guildford, followed by electronics — satellite communications technology — and engineering in the form of robotics, space structures and stress analysis.

Professor Desmond Smith, Dean of the Faculty of Science at Heriot-Watt University (and chairman of the fast-expanding Edinburgh Instruments), talks about little more than a handful of academic entrepreneurs in the UK. But at least this is a handful of hope.

In this context it is possible to be less cynical and less shallow, about the political initiatives and marketing themes which have dominated the in-

dustry property scene over the past year.

A year ago it looked as if government, with its penchant for smaller and smaller premises — it reduced the 100 per cent industrial buildings allowance qualifying space from 2,500 sq ft to 1,250 sq ft — was majoring in a sort of small town idealism. However, recent pronouncements from the DoE and Environment Secretary Patrick Jenkins have emphasised the need to court the high technology industries, whether they are UK-based or overseas companies setting down facilities in this country.

## Technology

"We must be careful not to impose on high technology industries the same kind of detailed controls which are imposed upon traditional industries," said Mr Jenkins last September. "Understanding and flexibility are crucial."

He followed this almost immediately with a draft circular to local authorities calling for prompt and efficient decisions on planning applications for industrial development. "Authorities should not attempt to compel a developer to take a site unattractive to him by denying him the one site which he prefers, if that site is not open to any significant planning objection," it remarked.

Local authorities are worried that the DoE's flexibility may go too far in the promotion of quasi-office space which could be translated into the real thing — pricing land out of the industrial bracket.

There is a lot of support in

England and Wales for a separate use class for property which does not fall clearly into the industrial or office brackets. Herring Son & Daw this year recommended a change in the Use Classes Order so that an effective planning consent could be given for a building which had no dominant use but was "a combination of office, research and development, light industrial and warehouse uses."

But a number of property professionals, like the DoE itself, are prepared to wait and see. Wallace Mackenzie, managing director of Britain's biggest industrial property company, Slough Estates, thinks that the effectiveness of the Minister's call for flexibility will depend on how local authorities respond. "I have a suspicion that they will respond quite well," he says, "and that the Government initiative might be as good as a change in use class."

Meanwhile it is quite remarkable, in its way, that an industry which has always concentrated on selling the right product in the right place to the right customer at the right price should suddenly be talking about marketing as if it had just been discovered.

Funding prospects bring out the buzz words like science parks, "high-tech" business parks and so on but the overriding need which the industrial agents seem to have perceived is the need to dispose of property already on the books.

King & Co's last survey of vacant industrial floorspace in

England and Wales showed a

peak of 177,000 sq ft in mid-April to 169,500 sq ft in mid-August. Senior partner Douglas King, estimated in September that some 20 to 25 per cent of the available space was not economically justified and ought to be demolished.

On the question of the reduction of space have been a slower rate of building and some small improvement in demand.

This has yet to be translated into effective rental growth. Healey & Baker's Industrial Guide Nationwide 1983, published in August, showed rental growth for their sample of 8.7 per cent compound for the six years to June 1983 against a 10.1 per cent annual compound rise in the retail price index; for the latest 12 months the figures were only 1.1 per cent and 5.4 per cent respectively.

## Flexibility

There are bright spots. "Changing market demand confirms that there is a shortage of high office content business units," said H & B, "and we anticipate considerable above-average rental growth in this sector over the next two-three years." The firm also noted that overseas companies continue to play a very important part in the new letting market.

There have been positive noises too in the corporate market. Trust Securities' abortive move for Percy Bilton might have been viewed as a piece of opportunism, an attempt to parlay a (then) premium share price valuation into a larger

company's undervalued assets.

However, the Slough Estates approach to Allnatt last month looked a more conventional move by a large, well-heeled company into a smaller one with good locations but not enough muscle to get the best out of them. This sort of move can be made any time but it is generally made when there are prospects for the underlying market commodity. In other words, on this evidence industrial property has a future.

Slough's future is already being tinkered with, in theory, by the impending opening of London's Orbital M25 motorway in 1986 — seen by Wallace Mackenzie as the most important event in the industrial property sector for many years.

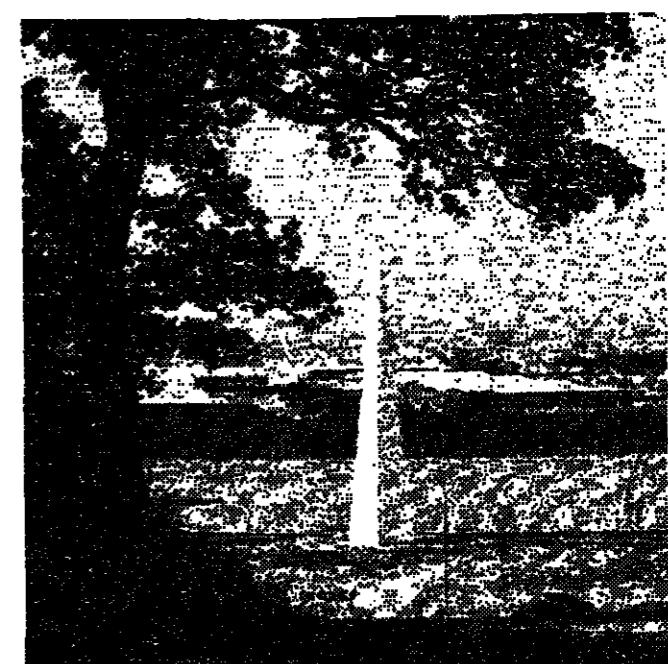
There are thoughts that the M25 will bring a levelling of rental differentials all round its perimeter and that Slough, for example, could see less growth because of it. If this were the case, one wonders, what would the prospects be for Swindon or Bristol?

Mr Mackenzie does not see the M25 as detrimental to the prospects of M4 locations. He sees an expansion of the market, in that South London locations like Crawley will come closer in terms of relative merit to Barnet or Waltham Cross in the north. He sees Slough having convenient access to the Channel ports, Kent and Essex and similarly placed in relation to Heathrow and the West.

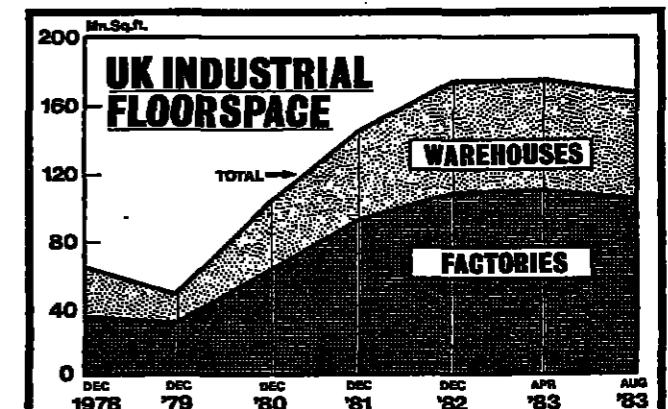
It might, too, marginally influence investment decisions made north of London — Cambridge on the M11, up to Peterborough on the A1, and Luton just off the M1 — so the old north/south division between relative poverty and prosperity stays with us.

Overall, the impression is that the industrial market is finding things to get its teeth into — problems as well as opportunities — after three or four years of recession and increasing gloom. The acceptance that some so-called properties have no real value at all may be the best thing that has happened to the sector.

Published by William Collins Sons and Co. Price: £3.95 net.



A trihedral spire in white precast concrete signposts the approach to the Stafford Park industrial area and enterprise zone at Telford, Shropshire



Source: King and Company.

CONTENTS	
Planning	II
Enterprise Zones	II
Tax Incentives	
Development Agencies	III
Science Parks	IV
The Corporate Sector	
High Technology	V
Mixed Use	VI
Overseas Investment	VII
M25 Impact	VIII

# Richard Ellis

## Covers the industrial Property Market throughout the U.K.

**M25 Chessington Park**  
COX LANE KINGSTON SURREY

M25 — Factory/Warehouse H.Q.  
M25 — 40,000 sq.ft. with 10,000 sq.ft.  
Fully fitted offices.  
M25 — Also units from 6,000 sq.ft.

**TO LET**  
Contact West End Office

**AZTEC WEST**  
BRISTOL

\* Offices from 1,500 sq.ft.  
\* Industrial/Warehouse units from 4,000 sq.ft.  
\* Sites available from 1 acre.

Contact West End Office

**The London Industrial Park**  
LONDON E5

Premier development, located at the junction of North Circular Road and A13. 550,000 sq.ft. already occupied with large range of units.  
To Let. Land available.  
For Sale in plots up to 8 acres.

**TO LET**  
Contact West End Office

**The Cowdry Centre**  
COLCHESTER

Excellent new and refurbished units located on inner ring road. Additional land available for units constructed to tenants' requirements. Over 70 companies already trading including Philips and B&Q Retail.

**TO LET**  
Contact West End Office

**Capital Interchange**  
... where the M4 crossed the North Circular

Phase I 10,800 — 46,680 sq.ft. Available now.  
Phase II 103,000 sq.ft. To tenants' requirements.

**TO LET**  
Contact West End Office

**Borehamwood Industrial Park**

Unit 164,000 sq.ft.  
Unit 235,000 sq.ft.  
Self-contained units with high office content. Available early 1984.

**TO LET**  
Contact West End Office

**Cressex Industrial Estate**  
HIGH WYCOMBE

158,000 sq.ft. Factory complex on 7.2 acres.

**FOR SALE FREEHOLD**  
Contact West End Office

**Severals Industrial Estate**  
COLCHESTER

A joint major industrial development between Slough Estates and Colchester Borough Council. Units available For Sale or constructed to specific requirements. Range of sizes available.

**TO LET**  
Contact West End Office

**Southside One**  
STOCKPORT

Bredbury Industrial Park. Prestigious Self-Contained Industrial Unit. 25,540 sq.ft. including 4,710 sq.ft. offices.

**TO LET**  
Contact Manchester Office

**Fitzroy House**  
LONDON SW16

Prestigious Headquarters building on prominent self-contained site. 26,000 sq.ft. including 6,000 sq.ft. of fully fitted offices. Available Now.

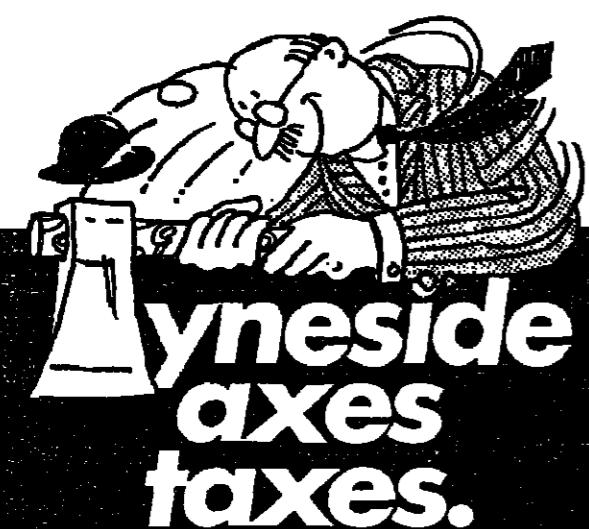
**TO LET**  
Contact West End Office

**Camperdown**  
DUNDEE

Major Single Storey Manufacturing Complex. 145,000 sq.ft. on 40 acre park site. Fronting Kingsway West (A972). 3 miles from City Centre. With all mains services and sports facilities.

**FOR SALE**  
Contact Glasgow Office

## INDUSTRIAL PROPERTY II

**Tyneside axes taxes.**

Take the opportunity to cut your tax bill to NIL for the next four years by investing in the Tyneside Enterprise Zone.

With appropriate tax planning the cost of the provision of new commercial buildings can be written off in four equal annual instalments against income creating a capital asset out of revenue.

The effective after-tax cost of building can be significantly reduced and, as rates are payable by occupiers until 1991, rental values are improved and the return on investment is enhanced.

Better still - where the first occupiers of the premises are manufacturers, you may receive a 22% Regional Development Grant towards the building costs.

A case of heads you win and tails the tax man loses!

We can take you through all the necessary steps to achieve this happy position including planning, building and letting your investment.

Contact us today at:  
Tyneside Enterprise Zone Office, Civic Centre, Newcastle upon Tyne NE2 2SH. Telephone: (0632) 677332.

**TYNESIDE ENTERPRISE ZONE**  
GETS YOU GOING.

**DUNSTABLE** WOODSIDE ESTATE  
Prestige Fully Fitted  
**FACTORY/WAREHOUSE**  
**46,000sq.ft. including 7,650sq.ft.**  
**Offices/Canteen**  
★ Close M1 (Junction 11) ★ Heating & Lighting  
★ Fully Sprinklered ★ Excellent Loading & Parking  
**Rent Only £2.10 per sq.ft. TO LET**  
GENEROUS RENT FREE PERIOD

**Planning**

WILLIAM COCHRANE

THE GOVERNMENT has been under pressure for the past 18 months or so to revise the Town and Country Planning (Use Classes) Order 1972. It has decided not to oblige, but the pressure is likely to continue.

The most common clauses in the present order, relating to commercial property, are I to IV—covering offices, offices, light and general industrial respectively—and Class X for warehouses. The most common complaint is that "high tech," a major government preoccupation in its plans for industrial regeneration, does not fall neatly into one category.

In September, Environment Secretary Patrick Jenkin apparently bypassed the call for change by issuing a draft circular to local authorities, urging them to be more flexible in their approach to industrial development and high technology enterprise in particular.

A DoE official subsequently clarified the position saying that the Government had not ruled out the possibility of changes to the 1972 Order but did not, at that moment, believe that the need for them had been demonstrated.

The Incorporated Society of Valuers and Auctioneers (ISVA) may have something to say on this score. It has a committee charged specifically with demonstrating the need for changes in the Use Order. But

the committee will have to dispense an atmosphere of something approaching cynicism at government level.

The DoE notes that values tend to be governed by the way the Order operates. It says that planning permission for a factory will comprehend all ancillary uses; that there is no need for separate planning permission if an activity is genuinely ancillary to the production; and that this is as true of high-tech as it is for other industrial categories.

It sees considerable advantages in flexibility of interpretation and expects problems in defining "high-tech" with science parks on one technological frontier and mixed office and industrial developments on the other.

But valuers, and the funding institutions which they are trying to serve, are not the only proponents of change. Mr Brian Briscoe, deputy planning officer for Hertfordshire, says that the county went to the DoE with this idea a couple of years ago.

Mr Briscoe sets out the background: "In the mid-1970s this and other parts of the South East were under severe pressure due to the lack of skilled labour. We had high employment provided by defence and chemicals, and a lot of new industries which brought their expansion out of London in the 1950s, 1960s and even the early 1970s."

"More recently the climate has changed," he says. "A number of the 1950s and 1960s intake have gone to the wall, or are contracting, and we have spare industrial capacity in terms of both land and labour." He says that Hertfordshire can do without the spec empty shed. "What we want are activities to use our resources, and high tech is a good candidate for that."

Mr Briscoe sees classic examples in computer software or the use of computer hardware to make other things, where skill is one of the main components of added value.

"We need to find ways of making our systems flexible

enough to accommodate this sort of activity," he says. But he is worried that flexibility could be taken too far.

"The problem is not that planning professionals are standing in the way of economic development," says Mr Briscoe.

"It is that the industrial building which could be translated into a conventional insurance office destroys the relationships between the relevant land values and undermines the opportunity of activities to go to industrial land as rents are bid up beyond them."

Hertfordshire has considered

the alternative of defining high tech as a separate planning class. "I have some sympathy for the valuation angle," says Mr Briscoe. "The market needs it, especially with institutions so wary of funding up front."

Neither is the argument just about funding, at one end of the property chain, or about employment and the user at the other. High tech arguably narrows the economic and social gulf between management and labour, with up to 50 per cent of a given workforce in the white collar and white collar categories.

**SOME USE ORDER ODDITIES**

IN STANDING with the existing Use Classes Order, the Government has said that it does not want to complicate matters. It might have added "further."

Activities covered by the 1972 Order, by their inclusion or exclusion, include: triple shoplets; meat-cutting shops; the selling of live fish; the making of gum; production of "aliphatic esters of the lower fatty acids . . ."; breeding of maggots from putrescible animal matter.

There are 13 use classes, of which seven fall into the industrial category, with no fewer than 49 sub-classifications among them.

**East Hampshire scores a local hit**

UNTIL THE late 1970s, Bordon, Hampshire, appeared on maps as an army camp. However, the county council had already decided that it wanted more than the military as an economic base for the local population.

The town was not an obvious industrial or warehouse location. It was at least 10 miles from the M3 and had little in the way of industrial estates within a seven-mile radius. But East Hampshire District Council had the gumption to make it work.

As a first step, the EHDC appointed a small project team of an engineer, valuer and accountant from its own senior officers. The team identified and acquired a 25-acre site early in 1978, using Community Act land powers; on the demise of this Act, the council took over the project, using ratepayers' funds.

Late in 1978, the team had brought in London agents King and Co for their acknowledged skills in the development, funding and letting of industrial

property. Michael Pearce, an associate partners of the firm, admits that in the early stages he was not sanguine about funding or letting prospects.

The council did not gain possession of the site until January 1979. It started infrastructure in April 1980 and the contract for the first speculative phase of 95,000 sq ft in units of 1,000 to 8,500 sq ft was awarded to Geoffrey Osborne of Chichester in January 1981, after a public competitive tender.

That phase was complete by the end of 1981. Then the council and King and Co, faced their final test. The agents had managed to fund the first five-acre phase, involving about £2.5m, with the Liverpool Victoria Friendly Society at a time (late 1980) when recession was not as

acute as it became a year or so later. Even then the funding process was not easy, says Mr Pearce.

By 1982, however, the recession was biting deep into the favoured south of England, which might have fancied itself recession-proof a year earlier. Vacant space on the market was rising, demand was shrinking, and the council, says King and Co, "felt distinctly exposed."

It still had its theory of a spatial gap in the market. This was about all it had, since the property is described as institutional in agents' terminology which means pretty conventional to the layman.

The initial response was more enthusiastic than expected and in the first marketing finish nearly all the smallest units and

some of the larger ones found takers. The last of the 30 units in the speculative phase went early this year. The development team has had its successes in a parallel scheme selling half-acre to 23 acre sites to companies for their own development and occupation.

Normally there are more brickbats than bouquets thrown at local authority planners, but the EHDC—and particularly its three-man project team—came up smelling of roses as far as the agents are concerned.

The scheme was well conceived, they say, and, in particular, had generous allocations of sites for landscaping and parking around the buildings—generally creating an attractive working environment more commonly found in the U.S. than in England.

It did not just produce an attractive development. "The LDDC allocated 21 months for construction starting in January 1982. We finished in nine," Indescon, he says, has built a 37,000 sq ft factory for the Thorn Group in nine weeks.

It also rebuilt a 135,000 sq ft factory for Thorn and Norwich Union within 10 months. "We were called in when the existing factory was on fire and we negotiated a fixed-price contract before the fire was put out," says Mr. Waiter.

Seifers were the point of contact with the LDDC. Indescon, with Seifers, was subsequently invited to submit designs for three adjoining sites in competition with seven other contenders. Wimpey and Multi-Construction got the adjoining two.

"At that stage," says Mr. Waiter, "the institutions were not there." With £1.5m of its own money in the kitty, a confident Indescon arranged a line with Barclays Bank for £2m. Then along came Robert Ogden, chairman of a Yorkshire-based group of construction-linked businesses; he bought the project for £3.5m and allowed Indescon to put its money elsewhere.

As neighbours, Indescon and Ogden were able to operate on a basis of trust. This is the way Mr. Waiter likes it. "Otherwise you get the situation where everybody is trying to negotiate advantages out of each other," he says. For example, Indescon had no quantity surveyors on the project apart from its own. "If the institutions had been involved we would have had to have had them," says Mr. Waiter.

"In addition, he says, gets virtually 95 per cent of its business from previous customers. He hopes to put the LDDC in that category. Just across the red-brick road which is an eye-catching feature of the enterprise zone is another pair of sites which could involve a bank, some offices and shops.

"We are short-listed in a group of three from the original six," says Mr. Waiter. He estimates the value of this project at between £5m and £7m.

**Institutional funds hold off****Enterprise Zones**

WILLIAM COCHRANE

"THERE IS much to suggest an urgent need for re-appraisal of government regional development policy. For some 30 years successive governments have been pursuing development policies aimed at improving the economic prospects of depressed regions. After considerable effort and expense these so-called development regions continue to lag well behind and one is bound to conclude that conventional policies have failed."

Allan Campbell Fraser, chairman of Scotland's major independent development group DCI—Developments Commercial and Industrial (Holdings) is no lover of enterprise zones. He is not alone in that. There is some evidence that the funding institutions have voted with their feet.

In their Year Two Report, Monitoring Enterprise Zones, for the Department of the Environment, urban and land economists Roger Tym and Partners note a certain lack of fervour among institutional investors for reasons summarised as follows:

(a) they look for a long-term secure market with growth prospects; most of the EZs are not in the prime locations where the funds expect to find such assets;

(b) EZs distort underlying market conditions and create artificial situations which the funds distrust;

(c) EZs disturb existing investments in the surrounding areas;

(d) the funds distrust the revised planning regime, believing that the value of a prime development may be at risk through poor development being undertaken on an adjoining site;

(e) EZs distract planning from the engineering works where it expects to retain adequate land for future expansion.

However, 20 acres of its available land have been included in the zone and while land values in the area are currently low—around £20,000 an acre for good industrial land—it is expected that the combined effect of the zone and the M54 connection to the M6 will increase this very considerably.

So the company has an extra commodity to trade, to help underpin its recent move out of losses. The effect may be marginal but it weights the odds towards survival and renewed growth—which is what economic management is supposed to be about.

**Land bank bonus for Lilleshall Co.**

BOTH THE short- and long-term considerations of EZ status are relevant to the Lilleshall Company, which has been surviving the swings and roundabouts of British industrial history since 1764.

Lilleshall's total land bank—mainly on the wrong side of the new Telford, Shropshire Enterprise Zone border—is in excess of 120 acres, about half of which is for longer term development, being principally derelict mining land in use for the extraction of building brick marl under licence to Redland.

Now Lilleshall intends to remain primarily a trading company involved in the distribution of steel and fasteners and in the manufacture of security fencing.

materials and allied products. Its land bank includes the engineering works where it expects to retain adequate land for future expansion.

However, 20 acres of its available land have been included in the zone and while land values in the area are currently low—around £20,000 an acre for good industrial land—it is expected that the combined effect of the zone and the M54 connection to the M6 will increase this very considerably.

So the company has an extra commodity to trade, to help underpin its recent move out of losses. The effect may be marginal but it weights the odds towards survival and renewed growth—which is what economic management is supposed to be about.

**PEARTREE INDUSTRIAL PARK****DUDLEY ENTERPRISE ZONE****PHASE 1 TO LET****SUPERB NEW UNITS FOR WAREHOUSE/RETAIL/INDUSTRIAL USE**

5,220, 24,412 SQ.FT.

NO RATES UNTIL 1987

SUCCESSION TAX FREE

021-236 8477

74 COLLEGE ROAD, BIRMINGHAM B3 2AB

TELE: 335143

A MEMBER OF

COLLIERS INTERNATIONAL PROPERTY CONSULTANTS

A MEMBER OF

## INDUSTRIAL PROPERTY III

## Criticism remains widespread

## Tax incentives

WILLIAM COCHRANE

FOR MOST of us, tax is the sharp end of the political game. It is hardly surprising, in that context, that extreme views are expressed on the validity and operation of tax incentives for industrial property built.

"An unmitigated waste of Government money," is one view. At the other end of the scale the tax planning department of agents Weatherall Green & Smith observes: "Corporation tax is a tax on corporate sloth. It is the stick with which the Government beats profitable trading and investment companies, when their directors choose NOT to recycle taxable profits into socially and commercially useful assets."

With industrial building allow-

ances (IBAs), criticism tends to centre on their operation in the property investment market. The government (of whatever colour) is annually chastised for the inadequacy of its modifications to the legislation. But there seems no question that IBAs get industrial property built.

At present 75 per cent of the cost of building any factory and 100 per cent for a small (up to 1,250 sq ft) workshop can be set off in the first year against income for tax purposes or, in the case of a company, against corporation tax.

This has led to some strange factories, out of the way locations and unfortunate investment decisions. There have been stories of farmers converting outbuildings which qualify for an industrial building allowance into "workshops" which will never be tenanted; of investors joining syndicates which produce tax relief but no subsequent income or any way of unlocking the original capital investment.

"There are still many in-

vestors who have bought projects for which they have received the tax allowances but find the investment value very questionable," says Derek Glancy of D. & J. Levy. "I think of the old adage of buying property which stands up as an investment."

Mr. Glancy is moving away from small units. "I'm still buying them but not in the same bulk," he says. "Many people feel that it is seven to 10 years' time, when small units may not be so popular, a conventional building will stand a better chance of letting."

The firm's Budget contained further amendments to the IBA rules, the proportion of office space in a building which qualifies for an industrial building allowance was raised from 10 to 25 per cent in a move which will cost £25m in a full year and which was expected to provide an added incentive to the development of "high-tech" office/industrial space.

At the same time the 100 per cent allowance for small industrial workshops was extended to cover all industrial units in a converted building where the average size of the units does not exceed 1,250 sq ft.

The ancillary space amendment, predictably, was not enough to satisfy high-tech fans. An electronic industry questionnaire produced by agents Herring Son and Daw established that respondents gave top priority, when seeking property, to an office content of over 25 per cent.

The firm found that almost 65 per cent of their respondents could not obtain the level of office content they wanted. "It would not make sense to blame the limitations of IBAs directly for that, since institutional funders are only slowly coming round to the idea of mixed development—by high-tech or any other name—as an investment vehicle. However, there are still more buyers than decent properties in the IBA market, as Derek Glancy puts it.

Nicholas Owen, senior partner of Herring Son and Daw, puts forward some further proposals for IBAs in his amendment. Last year, he notes, the British Property Federation, the NEDC Building Council and his firm proposed modifications which partly came through in the Finance Act.

The Act, however, did not remove the anomaly whereby if the ancillary (or office) content

of industrial buildings is 26 per cent then the allowance for the whole ancillary part is lost. In the firm's opinion, he said, the Act should be reworded so that only costs in excess of 25 per cent of the total cost are allowed.

"Nursery is certainly pushing again," said Mr. Owen. "Meanwhile we are trying to collect a case for submission in good time for budgetary consideration."

In simple terms, the standard case goes like this: Before the advent of the new technological revolution, a traditional business such as mechanical engineering could have one manager for every 200 workers, maybe just one foreman to every 100.

Nowadays it is common for white collar and white coat (ie, laboratory or research) workers to add up to 50 per cent of the workforce. "If a nursery is sitting in front of a visual display unit," says Mr. Owen, "it is hard to say whether he is in production or administration."

to the most "anti-quango"-minded, he writes.

The "antis" have also had things to say about national agencies like English Industrial Estates, the Scottish Development Agency and the Welsh Development Agency—especially in respect of their ability to ignore the financial disciplines imposed on corporate and institutional developers.

## Agencies

WILLIAM COCHRANE

express, given the corporations position on the edge of the private sector.

Or vacancy statistics: "Lots of the vacant space is rubbish which will not be taken up by modern manufacturing industry. We've got some of it and we're demolishing it because it's the most sensible thing to do," he says.

EIE can also talk in big numbers. Last year it nearly doubled its lettings and sales to new occupiers, largely through letting small factories and workshops available on "easy come, easy go" terms.

Stephen Holley, general manager of Washington Development Corporation from its inception in 1964 until he retired in 1980, does his best to dispel the popular notion of government-sponsored agencies being too interventionist in his just-published book, "Quicker than Quango."

He notes that the last national census showed that the fastest growth are in Britain in the decade 1971-81 was Washington in Tyne and Wear, closely followed by Milton Keynes in Buckinghamshire. The efficiency of the development corporation in implementing rapid co-ordinated urban growth is surely apparent even

declining collieries was transformed from one of the most derelict industrial areas in Britain to one where no dereliction exists, he says.

The list of attributes includes over 1,000 acres of parks, playing fields and open space; a population rise to almost 55,000; over 18,000 new jobs in industry and commerce; more than 10,000 new school places, 14,000 new houses and over 270 new firms.

Mr. Holley's sense of commitment should inspire those who follow him. In Washington the corporation is due to be dissolved at the end of 1985 but we note that there are now development corporations in Merseyside and London Docklands "to keep the concept alive after the current generation of new towns is completed."

He ends his book with a plea that in this time of bewildering change more thought is given at national level to the use of development corporations for specified periods for tackling problems of development or renewal where rapid action is paramount."

\* Published by Publications for Companies, Cutting Hill House, Benington, Stevenage, Herts, SG2 7D, price £9.95.

## Leading lights at Pompey

CLAIMED TO be the most sophisticated, tax-effective, new development scheme yet devised by any local authority for start-up firms and small businesses, the City of Portsmouth's new £15m Enterprise Centre, now under construction in Quartermain Road will provide 36 units ranging from 350 sq ft to 1,250 sq ft within a 35,000 sq ft total.

Leading lights in the development are the City Estates Department, Hampshire agents L. S. Vail & Son, developers Standon House Group, contractors JT Design Build and London agents Weatherall Green & Smith, who arranged the funding.

The council made available unused development land and is providing an office facility within the completed building which will include reception, secretarial and all usual administrative services. This will be managed by Vail.

The key to the project is the method of funding. When the concept had been agreed, Vail approached a number of lending institutions and funds but found difficulty in obtaining

finance on a sole and leaseback basis.

Vail partner Jeremy Lear then discussed the situation with Hugh Chatwin, the partner heading the tax planning department at Weatherall Green & Smith, who provided a finance package which takes advantage of inherent industrial building allowances and is subject to a capital and interest guarantee from the council. The net result is that the council will retain ownership at minimum cost to the ratepayer and after 15 years will receive all future rental income.

**Minimise bill**

On the face of it, IBAs mean little to a local authority with no corporation tax liability—or, for that matter, a major company which has already found other ways to minimise its tax bill.

However, Mr. Chatwin inserted a leasing bank which had "tax capacity" into the equation. The bank took a legal interest in the property (not carrying the burdens of repair, insurance or management), claimed the allowances and will pass an estimated 75 to 80 per cent of the benefit back to Portsmouth in the shape of low-cost money.

W. C.

## THE GREAT CAMBRIDGE INDUSTRIAL ESTATE, ENFIELD

106,000 sq. ft. of high specification units ranging from 2,800 sq. ft. to let. Good access central London and M25.

## THE CAPITOL PARK, LONDON NW9

New units ranging from 2,500 sq. ft. to 7,000 sq. ft. available. Good access to central London and the M1 motorway.

## GRANADA HOUSE, RADLETT ROAD, ST ALBANS, HERTS

Excellent warehouse/industrial/office building close to the M25. 119,200 sq. ft. available for sale or to let.

## GATWICK GATE ESTATE, GATWICK, WEST SUSSEX

1½ miles from junction 9 of the M25 motorway and adjacent to Gatwick airport, 40,345 sq. ft. of modern single storey warehouses to let.

## SOUTH BANK BUSINESS CENTRE, LONDON SW8

The prime office and industrial business park. Central location, 115,000 sq. ft. available in units ranging from 2,406 sq. ft.

## THE RENAULT DISTRIBUTION CENTRE, READING

144,000 sq. ft. warehouse unit including 25,000 sq. ft. approx. of ancillary offices to let.

## THE GREAT WESTERN INDUSTRIAL PARK, EALING

50 acre phased development in West London. Units ranging from 8,500 sq. ft. Tenants individual requirements can be accommodated.

## AYLESBURY VALE INDUSTRIAL ESTATE, AYLESBURY

167,000 sq. ft. of new industrial and warehouse space ranging from units of 3,500 sq. ft. available to let.

## THE RAILWAY TRIANGLE, PORTSMOUTH

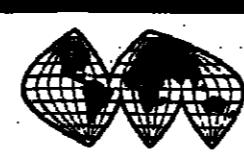
New development of high quality industrial and warehouse units with 150,000 sq. ft. remaining.

The first of what are eventually envisaged as five or six integrated high technology parks in Wales is being built more strongly into Wales. But the agency is also planning integrated developments aimed at other sectors such as pharmaceuticals and the food industry.

Equally, the WDA is no longer being limited to providing industrial accommodation for manufacturing industry only. The Government has now conceded that it has a role to play in the provision of premises for commercial and distributional use, including shops and offices, and in tourism investment.

But the greater investment freedom overall now enables the agency also to play a useful role in special projects such as the Wales Tourist Board's scheme for a series of marinas around the Welsh coast and the proposed major redevelopment of a large slice of Cardiff's dockland which is due to get under way next year.

Robin Reeves



Jones Lang Wootton

Chartered Surveyors-International Real Estate Consultants  
Industrial Department  
103 Mount St, London W1Y 6AS. Tel: 01-493 6040, Telex 23858

## INDUSTRIAL PROPERTY IV

# AND NOW... THE GOOD NEWS THE FACTORY YOU CAN BUY

Thinking of moving or expanding your business? There's no shortage of available factories and sites. They come in all sizes, shapes and locations, many with offers that are difficult to refuse.

But look hard at where they are and the longer term costs. Look at how long it takes to get to the motorway network and the eventual cost of moving yet again to achieve long term viability.

Northampton, as a successful town on the M1, midway between London and Birmingham provides the strategic location you'll be happy to live with and the same goes for our range of advance factory units and industrial sites.



**NORTHAMPTON**

Contact Donald McLean on 0604 34734  
Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN



**JUST CALL ON**  
**Industrial Development Officer**  
**051-236 5411**  
**11 DALE STREET, LIVERPOOL L2 2ET**

## INDUSTRIAL

**WILLESDEN, NW10**  
100,000 sq ft  
Industrial Complex on  
3.34 Acres.  
Suitable for Development/  
Owner Occupation  
Freehold

**WATFORD, HERTS.**  
20,600 sq ft  
Modern S/S Factory/  
Warehouse  
Freehold or To Let

**TOTTENHAM, N15**  
16,000/39,500 sq ft  
Factory/Warehouse with  
Offices  
Freehold or To Let

**HAINAUT, ESSEX**  
11,200 sq ft  
on 0.68 Acre Site  
Factory/Warehouse with  
Offices  
For Sale

**HARTLEPOOL,  
CLEVELAND**  
43,400 sq ft  
Substantial Factory with  
excellent access and large  
yard  
Freehold

**CUMNOCK,  
STRATHCLYDE**  
13,800 sq ft  
S/S Factory with Offices.  
Ready for immediate  
occupation  
Freehold

**DALBEATTIE,  
DUMFRIES**  
51,800 sq ft  
Intermediate Development Area  
Modular Factory with Offices  
Freehold

**EDWARDSYMONS  
& PARTNERS**  
56/62 Wilton Road, London SW1V 1DH  
Tel: 01-834 8454 Telex: 8954348

**CIRENCESTER, GLOS.**  
12,770 sq ft  
Modern S/S Factory  
Freehold or To Let

**GREAT YARMOUTH**  
4,330 sq ft  
Loft S/S Factory with Yard  
Freehold

**THE CAMBRIDGE** Science Park, on the edge of the city where the A45 swings around the northern perimeter, is probably as near to the classical definition of a science park as it is possible to get. It is set in landscaped grounds with a low density ratio of buildings to landscaping, occupied for the most part by high-technology concerns and situated near the centre of the university.

In a perfect world the park would be adjacent to its sponsoring university, but because of the physical problems of finding space for development in the centre of an ancient university city this particular criterion is missing. The park is, though, no more than a mile or two from Trinity College, the sponsoring college which owns the land.

It is appropriate that Trinity should have set up its science park because it has played, over the centuries, to some of the most famous scientists the world has known. From Newton onwards it has been home for a wide cross-section of men in a variety of disciplines: among them Sir George Airy, the astronomer; James Clark Maxwell, who predicted electric waves; Sir J. Thompson, who established the first theory of the electron; Lord Rutherford, the physicist who first split the atomic nucleus; and Lord Adrain, Master of the college between 1951 and 1965.

Trinity first sought outline planning permission for the park in 1970 and construction of the infrastructure began

## Cambridge makes the running

three years later. The park was officially opened in 1975 by Sir Alan Hodgkin, then president of the Royal Society, with Lord Adrain and Lord Butler, at the time in attendance.

The park now comprises three phases, of which the first has been completely let to a variety of concerns and the second to one firm, Napp Laboratories. It is a measure of the success of the park that some of the concerns which came into phase one are now looking to take larger premises on the third phase of the development.

This third phase comprises 26 acres (compared with 22 acres in each of the first two phases), of which 20 are available for development. So far five acres have been landscaped, including two lakes, and another six acres have been allocated.

Goodfellow Metals, which makes foils, wires, tubes and powders from about 40 metals, is trading up from its 6,700 sq ft building on phase one to take a 25,000 sq ft building and should be ready by the end of February.

In addition, Cambridge Life Sciences, which has a smaller 3,200 sq ft building, is also taking a new 20,000 sq ft unit and plans are in the pipeline for several other new occupiers.

The big development on phase three, though, has been the decision of ICFC to take two and a half acres and build three units. One will be occupied as its regional headquarters and the other two will be let or sub-let as 17 starter units ranging in size

from 800 to 3,000 sq ft. These buildings should be ready by the end of the year and most of them have been pre-let.

ICFC

is also launching a joint programme to provide an interface between scientific ideas and industrial application. The two partners want to find new start-ups from universities and research and development departments and while the first target will be within Cambridge itself it is hoped that other universities will eventually participate.

ICFC

will provide the management services for the development and it is hoped the corporation could consider extending the principle to other university-based science parks.

The park's centre building,

which will provide three

meeting rooms and a common

room for the joint use of staff

of the companies on the park

and university departments,

is now under construction and should be ready for use next March. This is a long-term

need, as without it one of the

mainstays of any science

park is removed.

Phase one took 10 years to

complete and it is hoped that

phase three will be fully

occupied in half that time

(phase two is not strictly

comparable since it has only

one tenant). If this time

scale is adhered to, Cam

bridge will have some 40 acres

available for a fourth phase

as there is ample room

for expansion in the forese

able future.

A. M.

## STAPLES CORNER BUSINESS PARK

10,500sq. ft. - 32,650sq. ft.

To Let.

A Development by British Rail Property Funds.

Wright & Partners 01-493 4121

SHEPHERDS 01-499 0271

## St Quintin CHARTERED SURVEYORS

7 Hanover Square  
London W1R 9HE

01 499 8626

Telex 268884

## INDUSTRIAL WAREHOUSE UNITS TO LET

### WEST CROSS CENTRE BRENTFORD, MIDDX.

H.Q. BUILDINGS  
UP TO 165,000 SQ.FT.  
UNITS FROM 2,965 SQ.FT.  
AVAILABLE IMMEDIATELY

### NORTH LUTON IND. EST., LUTON, BEDS.

NEW UNITS  
3,500 - 23,060 SQ.FT.  
LAND AVAILABLE FOR  
PURPOSE BUILT UNITS  
UP TO 100,000 SQ.FT.

### AIRLINKS IND. EST., HESTON

NEW UNITS  
2,850 TO 36,480 SQ.FT.  
AVAILABLE IMMEDIATELY  
TO LET OR FOR SALE  
PURPOSE BUILT UNITS  
19,700 - 57,500 SQ.FT.

### TEMPLE MEADS, BRISTOL

HIGH SPECIFICATION  
WAREHOUSE  
INDUSTRIAL UNITS  
5,000 - 115,000 SQ.FT.  
TO LET

### INDUSTRIAL CENTRE, GREENFORD

UNITS  
11,977 - 24,000 SQ.FT.  
AVAILABLE IMMEDIATELY  
COMPETITIVE RENTALS

### WATERSIDE PARK BRACKNELL

UP TO 250,000 SQ.FT.  
HIGH TECHNOLOGY  
SPACE  
FOR SALE OR TO LET

St Quintin  
CHARTERED SURVEYORS

Industrial  
Property

## U.S. concept puts down UK roots

### Science parks

ANTHONY MORETON

SCIENCE PARKS have become something of a vogue concept in the past three years. Given the emphasis which the Government is placing on small firms as a vehicle for economic growth and the need to find sunrise industries it is hardly surprising that so many examples of science parks should suddenly have emerged.

If it is not surprising it is rather ironic. The concept of science parks originated in the U.S. in the early 1950s following the setting up of the Stanford Industrial Park associated with Stanford University and arrived in this country as a result of an initiative by the then Prime Minister, Mr (as he then was) Harold Wilson, who sent a letter to all universities suggesting they do something to encourage the growth of high-technology concerns.

Whether the Wilson administration knew of developments in the U.S.—since there were by 1966 some 50 to 60 such parks in America—is not known, though it probably did. But even before the 1964 election which brought him to power Wilson had made the need to create a "white-hot" technological revolution" a central

nearer the concept of a pure science park, though there are indications that it has rather lost its way. Some of the people on the site are not linked closely with the university and it is clear the university would like to inject a new impetus

producing technological goods. To muddy the waters even further, there are a number of commercial organisations which have set up so-called science parks but which are really nothing more than superior-landscaped industrial estates.

Philosophical disputation over whether Cambridge is or is not a science park beg the question of what a science park actually is. To this there is no precise answer.

Looking to the U.S. is no help. Of the science parks set up there—perhaps 100 in all—it may be that no more than a few meet the full criteria; Stanford itself, around MIT in Boston, the Research Triangle Park associated with the three universities of North Carolina and the University of Georgia Science Park at Athens, Georgia.

In theory a science park is an area set out in such a way that the amount of land and building available is sufficiently high and the environment sufficiently attractive to lure high-technology companies with their white-collar workers. It should be linked closely with a university, preferably on the university complex and administered by the university in such a way that there would be an interplay between its own staff and the work of the companies.

Such a definition begs more questions. For instance, what is high technology? Is it where a company is involved in exploiting the existing body of knowledge in its field or research? Is it a concern for its former founders, according to Mr Nick Segal, of Segal Quince and Associates, to "concentrate on development activity and can perhaps best be understood as 'applications engineers'". By contrast, the latter are research-intensive and depend critically on leading, or at least keeping up, with the state of the art and incorporating new knowledge in new products or processes."

Science parks should therefore be directed at the latter but in a fallible world they encompass not only the former but also a lot of companies which are concerned with processes. The reason for their involvement is that few universities have been in the happy situation of Surrey, with plenty of cash. Salford and Southampton certainly have, and Aston, which has joined forces with powerful interests in Birmingham, probably spends £750,000 a year on management operations alone. These are the exceptions: the more usual rule is that the university has had little practical experience either of management operations or development or funding. Despite attempts to get universities to establish industrial liaison

officers in the early 1970s, who might have brought this experience with them, most universities are still naive when it comes to the practicalities of business.

In England EIE which has been given a much more commercial role by this Government has worked hard to overcome this deficiency within the universities and it has been closely associated with developments at both Bradford and Leeds.

Its investment at Bradford illustrates what can be done, according to Mr Segal. "All the property is speculatively built in unit sizes ranging from 1,000 sq ft to 8,000 sq ft of an above-average quality of design and finish and fairly expensive in relation to the local property market."

In the first six months of letting a low proportion of inquiries have come from start-up companies. Inquiries come mainly from already established local companies that wanted more space in a better quality environment."

The new wave of schemes is going through an interesting evolution, he believes. The universities now have a clear idea that what they should be aiming for is technology transfer and some control over the tenant. By working with public bodies they are also having to live with the fact that the parks have to be commercially successful—or commercially viable at the very least—since the SDA, WDA and the EIE all want some return on their outlays.

Some of the schemes which are emerging, such as the Newcastle Technology Centre in which the university, polytechnic

and city Department of Industry, county and EIE are associated and the incubator building at Warwick will, he believes, be more complex than the earlier ones.

Complex or simple, all the universities need to be aware of the importance of the management function. If there is to be a university-industry interaction there is a need for the sponsoring university to throw its facilities open to industry more freely than has been the case in the past.

### Sympathetic

Universities are on the whole sympathetic towards their own staff who want to pursue outside industrial interest. But they are not nearly so interested in the revenue.

Dr John Bradford, senior bursar of Trinity, is aware of the problem and his college is sponsoring a scheme by which a company will take on a member of the college's staff for part of the working week. "Not many companies have invited people involved in university life, particularly research, to join their boards. More's the pity." It is even more of a pity that so few universities take on so few people from industrial life.

The importance of good management is that science parks need to be marketed. Property developers need to be kept aware of the facilities available, professional advice on advantages to be found in science park locations, news papers, radio and TV of all developments. Cluttered life is not necessarily the best background for acquiring such arts.

**This is our  
inner city  
solution!**



In Hull we have solved our inner city problem by transforming historic docks into a superb marina. This reflects Hull's determined and imaginative approach to the problems of urban renewal, an approach that extends to industrial development.

If your business is expanding you'll find room to grow in Hull. There's a choice of sites and buildings, a full range of development opportunities and a host of other benefits.

Hull is the natural regional capital and marketing centre for 850,000 people and has all the vital communications links you need— including bulk load sea links to Europe and the Middle East. Cost of living prices are lower than average and an unpressured and enjoyable city environment also offers easy access to coastal resorts and attractive rural areas.

If you're looking towards expansion, move into Hull where the business opportunities are, and where your enterprise will prosper.

>Contact: Robin Dean, M.A. (Cantab) M.C.I.T., Director of Industrial Development, Hull City Council, Dept. FT, 76-78 Longate, HULL, HU1 1EP, Telephone: 0482 2226

## INDUSTRIAL PROPERTY V

## Magic label proved a misnomer

## High technology

DAVID LAWSON

THE HIGH-TECH label emerged almost overnight on a multitude of industrial developments during the depths of a recession which saw the amount of empty space on the market climb to something like 175m sq ft. Agents and investors were desperate to find tenants and the continued buoyancy of the so-called high technology sector meant a change of direction in marketing.

Potential tenants failed to play the game by the rules, however. They wanted—and still want—new types of building, not a change of label. Most schemes in the glossy brochures were merely the same traditional sheds, more like warehouses with bright colours and plastic-clad cladding.

Agents discovered reasonably quickly that something was wrong. They had jumped on a bandwagon that had no real New buildings often remained stubbornly empty, as intended tenants refused to come forward and increasingly scarce traditional

clients found them too expensive. A plethora of reports emerged as the agents began to accept the psychological trauma of a switch from the traditional iron grip of landlords in the design of industrial premises to a tenant-led market.

From these studies are coming views on what the new breed of industry is likely to require. They are not as simple to satisfy as some like to make out—or as a cut-out.

First, the magic label high-tech is being proved a misnomer. As David Lawson, Deborah Tewson and Chinnock say in a recent appraisal of the sector, high-tech refers to products and processes rather than property.

## Wide spectrum

The knowledge-based industries (as they call them) are a heterogeneous sector, varying from a two-man research team seeking new bio-engineering techniques for farming through a wide spectrum to a fully mature, microchip production plant.

What ties the sector together is the growth rate of the various companies, rather than the premises they require, so any attempt to design and market

property for the broad sector rather than particular parts appears doomed.

Deborah Tewson, the observor of last year's Department of Industry study which showed that new concerns often opted for "cheap and cheerful" premises to keep rents down and this does not have to be new property. As the business grows, larger and more efficient new premises will be needed.

Three categories of demand were identified by surveyors Healey & Baker. The most easily satisfied are business centres like Aston Science Park, providing clean, modern buildings with office-like designs and short leases. Another group involves a mix of businesses on fringes of town centres, again in quasi-office premises set in well-landscaped areas with extensive car-parking provision.

The third category involves headquarter buildings, where companies forced out of cities by high costs combine administration and manufacture/storage in prime locations. These are more traditional buildings but require much higher office content than normally provided in speculative buildings.

In this variety of demand are

common factors. High quality environment is essential because this growth sector needs to attract high quality staff. As surveyors Herring Son and Daw comment, touting up traditional sheds will not appeal to technicians who can see secretaries working in air-conditioned comfort nearby.

Deborah Tewson, the observor of last year's Department of Industry study which showed that new concerns often opted for "cheap and cheerful" premises to keep rents down and this does not have to be new property. As the business grows, larger and more efficient new premises will be needed.

Three categories of demand were identified by surveyors Healey & Baker. The most easily satisfied are business centres like Aston Science Park, providing clean, modern buildings with office-like designs and short leases. Another group involves a mix of businesses on fringes of town centres, again in quasi-office premises set in well-landscaped areas with extensive car-parking provision.

The third category involves headquarter buildings, where companies forced out of cities by high costs combine administration and manufacture/storage in prime locations. These are more traditional buildings but require much higher office content than normally provided in speculative buildings.

In this variety of demand are

circulars has told them not to block mixed use of offices and manufacture but there are continuing problems because there is no niche in the Use Classes Order for these activities so planners often demand separate identification of office, storage and manufacture use.

Some experts, like Stephen Greenbury or architects Newman Levinson, believe that despite these common factors it is impossible to create a true high-tech building until the tenant or owner-occupier is known because only then will the exact internal use be known.

This is anathema to the property industry grounded in speculative building. Agents tend to believe that given flexible use, the right location and building size, and the various other important demands of the knowledge-based sector, a lettable commodity can be provided in advance.

The wild cards are the planners, who must plan to allow such schemes; the institutional investors, who must be persuaded to switch at least some resources to this unproven sector; and the tenants themselves, who have to tell developers what their needs are in much clearer language.

One of the clearest indications of an overall improvement in the sector came towards the end of the summer from surveyors King & Co, who reported that the amount of vacant industrial and warehouse accommodation in England and Wales had fallen for the first time since 1979.

The fall is modest—down from a peak of 177.8 sq ft in mid-April by 4.56 per cent to 169.5 sq ft in mid-August—but the trend has been echoed in the comments of chairmen of several industrially based property companies.

Mr Harry Arton, chairman of Brixton Estates, summed up the position at Brixton's interim figures when he said that there had been some improvement in the letting market, but that it was confined to buildings of the highest quality.

The proof of good returns which he and other funders require so badly seems most likely to come after late spring next year, when Pollard predicts the start of a two-year surge in rent and capital values as the recovery pushes up tenant demand. Significant premiums are likely for the right sort of property, while a large pool of badly-located or traditionally designed units may find tenants and reasonable rents harder to find.

Perhaps by this time next year the institutions will have the evidence they need to make a stronger commitment to a new generation of industrial building.

D.L.

involve redeveloping some of its older sites.

The Trust Securities/Percy Bilton episode provided lessons on both sides. For Percy Bilton it was a warning of what can happen if a company is slow to rationalise its portfolio. For Trust Securities it revealed the pitfalls which face the high-flier with a property valued at more than £100m in less than a year. Certainly Stockley Park, its 350-acre site, appears to have all the ingredients for a successful venture, close to Heathrow and the M4, and styled as a business park. But observers have yet to be convinced that the scheme will actually be built.

## Building niche

The trend towards the small industrial unit for light manufacturing and technology uses often favours the smaller property company. Dencora is a small East Anglian property development and investment group quoted on the Unlisted Securities Market which had a turnover last year of £3.8m and has a portfolio valued at £18m.

It increased its pre-tax profits by 55 per cent in the six months June and appears to have found a niche in building standard units in towns including Ipswich, Cambridge and Colchester.

At the other end of the spectrum Slough Estates shows how a company which could be said to have developed the art of industrial estate building can move with the times. It has built up a portfolio around the world, though its original estate in Slough still constitutes 48 per cent by value of its total investment portfolio.

Its fortunes, like those of Brixton Estates and other large companies, rely on the state of the world economy. Brokers De Zoete & Bevan recently estimated that it has 880,000 sq ft of vacant space in the UK and 900,000 sq ft overseas which could take up to three years to let. Yet with industrial values expected to improve soon, it is widely considered to be a sound investment by property analysts.

## Royal London Mutual tests the temperature

A MAJOR stumbling block to provision of property acceptable to high technology companies is the nervousness of pension funds and insurance companies about investing in a new market. Some business parks are evolving but there has been little progress towards a true new generation of premises.

Investors fear the risks of specialised buildings which may not be easily relettable in such a limited market, particularly when tenants demand three or five-year leases rather than the traditional 25 year period. These tenants may often have exciting prospects but are short on the profit track record which defines a reliable bet for the investor.

Investors want to avoid what agents Grant & Partners called "a flirtation with over-specialised experimental buildings." But they know that within 15 years the bulk of British indus-

trial tenants may be in this sector. "What we lack is knowledge," says Mr Ron Pollard, who manages the 2200m property portfolio of the giant Royal London Mutual Insurance Society. He says there is too little information at the moment about whether the funds' long-term yield requirements will be met.

Meanwhile he is experimenting, with the provision of modern premises to prove his own conviction that this is a niche in the market not properly recognised.

Just under 5 per cent of his portfolio is being sunk into developments at Swindon, Slough, Southampton and possibly other schemes which he provides the real requirements of high technology industry.

The Doreen complex at Swindon, for instance, comprises

seven two-storey buildings on a landscaped campus providing between 1,000 and 10,000 sq ft. They seem more office than industry because Pollard and his agent Peter Barefoot have won a vital concession from the planners to allow either use—a rare occurrence, because most local authorities fear incursion of offices on to industrial land.

Building costs are around £35 a sq ft and rents are being achieved at between £5.50 and £6 a sq ft on short leases. Pollard generally aims for a yield of more than 9 per cent, depending on location, which is probably more than high quality traditional industrial property let at 25-year leases.

Pollard is reasonably happy that few other investors are treading on his toes to provide similar property, since he recog-

nises there is a limited market. He is also only testing the water rather than giving full commitment at the moment to this relatively narrow sector.

The proof of good returns which he and other funders require so badly seems most likely to come after late spring next year, when Pollard predicts the start of a two-year surge in rent and capital values as the recovery pushes up tenant demand. Significant premiums are likely for the right sort of property, while a large pool of badly-located or traditionally designed units may find tenants and reasonable rents harder to find.

Pollard is reasonably happy that few other investors are treading on his toes to provide similar property, since he recog-

A BEACONTREE ESTATES DEVELOPMENT  
HEATHROW

Junction 14 of M25

Exceptional quality detached work space for the 90's

Two new units ready now  
17,760 sq ft - 36% offices  
13,540 sq ft - 47% offices  
Full heating and lighting  
Air-conditioned offices Fitted carpeting  
New leases  
Healey & Baker  
01-629 9292/491 3088  
Campbell Gordon King & Co.  
0734 597555 01-236 3000

## LONDON EC2

Close Moorgate

## H.Q. BUILDING

Approx. 19,710 sq. ft.

- \* Passenger/goods lift
- \* Internal loading bay
- \* Low rent without review

Lease for sale

Healey &amp; Baker

## FOUND

By the Healey &amp; Baker Industrial Team

Tenants and purchasers for over 1.75 million square feet floor space in the last 12 months

## Healey &amp; Baker

Established 1820 in London  
29 St. George Street, Hanover Square,  
London W1A 3BG 01-629 9292/491 3088

INDUSTRIAL AGENCY TEAM  
NOTICE BOARD

## ABINGDON

Magnificent modern  
warehouse or  
manufacturing H.Q.

87,000 sq. ft. on 6 acres.

- ★ 29ft. to eaves
- ★ 36ft. to apex clear
- ★ Lighting and full gas heating
- ★ Expansion land
- ★ Fitted sprinklers
- ★ Freehold or new lease

Joint Agents:

Healey &amp; Baker 01-629 9292/491 3088

Hillier Parker May &amp; Rowden 01-629 7666

## WANTED

60,000/70,000 sq. ft.

Warehouse or site

M5 corridor

Bristol to Birmingham

New units from 520 sq. ft. to 13,000 sq. ft.

## Business Units

\* Maidenhead - Bell House

20,000 sq. ft. - 45% offices

\* Bracknell - Cumberland House

28,000 sq. ft. - 48% offices

\* London Enterprise Zone (No rates for 10 years)

New units from 520 sq. ft. to 13,000 sq. ft.

\* Alperton (adj. Hanger Lane)

33,000 sq. ft. - 25% offices

\* Chertsey

4/14,500 sq. ft. - 20% offices

4/14,500 sq. ft.

REDEVELOPMENT POTENTIAL

## HATTON CROSS

Heathrow Economic H.Q.

Warehouse Units

13,000 sq. ft. - 31,600 sq. ft.

40,100 sq. ft.

Adjacent Hatton Cross Tube and Terminal 4



New leases available

Healey &amp; Baker

## TO LET

HERTFORD MODERN UNITS

6070-24,280 sq ft

18ft Eaves

Heat Sensors

Carpeted Offices

Fully Heated and Lit

Healey &amp; Baker

01-629 9292/491 3088

JOINT AGENT: Clark Quinney

Commercial 0992 57311

Industrial Guide  
Nationwide

Clip your business card to this coupon for our free Guide detailing over 200 buildings available in the U.K.

Please also send details of

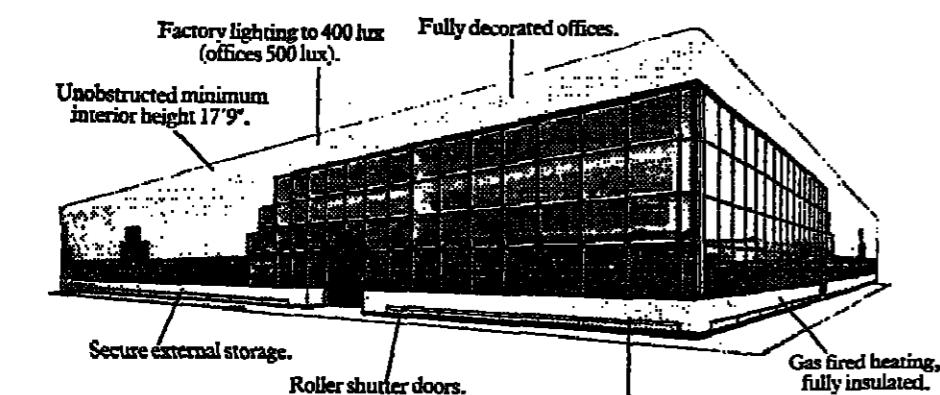
mentioned on your notice board.

Send to: Healey & Baker

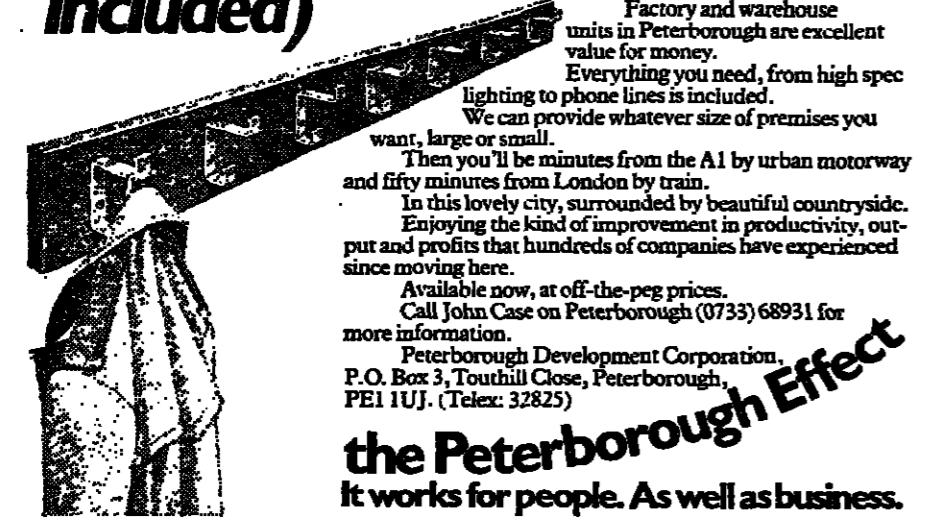
Established 1820 in London

29 St. George Street, Hanover Square, London W1A 3BG 01-629 9292/491 3088

# Off the peg.



(coat hooks included)



## Well-Connected

### Wellingborough Enterprise Zone

Enquiries to:

**DRIVERS JONAS**  
Chartered Surveyors

16 Suffolk Street, London SW1Y 4HQ  
Telephone: 01-930 9731 Telex: 917080

### THE DIRECTOR OF DEVELOPMENT

Wellingborough Borough Council  
Council Offices, Tithe Barn Road,  
Wellingborough, Northants NN8 1BN  
Telephone: (0933) 229777

## Moving with the times with Kone Marryat Scott.

In buildings throughout the UK, Kone Marryat Scott moves people around fast, safely and efficiently.

That's because we design, manufacture, refurbish and service all types of lifts and escalators, using the most advanced techniques.

Kone Marryat Scott is a leading British lift manufacturer—part of the worldwide Kone Organisation, the world's sixth largest lift company.

We bring to our work a tradition of quality complemented by a visionary approach to design. With installations working all round the world, our reliability is proven many times over.

Kone Marryat Scott can, for instance, manufacture and install lifts using the world's most advanced microprocessor lift technology, or design and manufacture a one-off scenic lift.

of unbeatable quality and style.

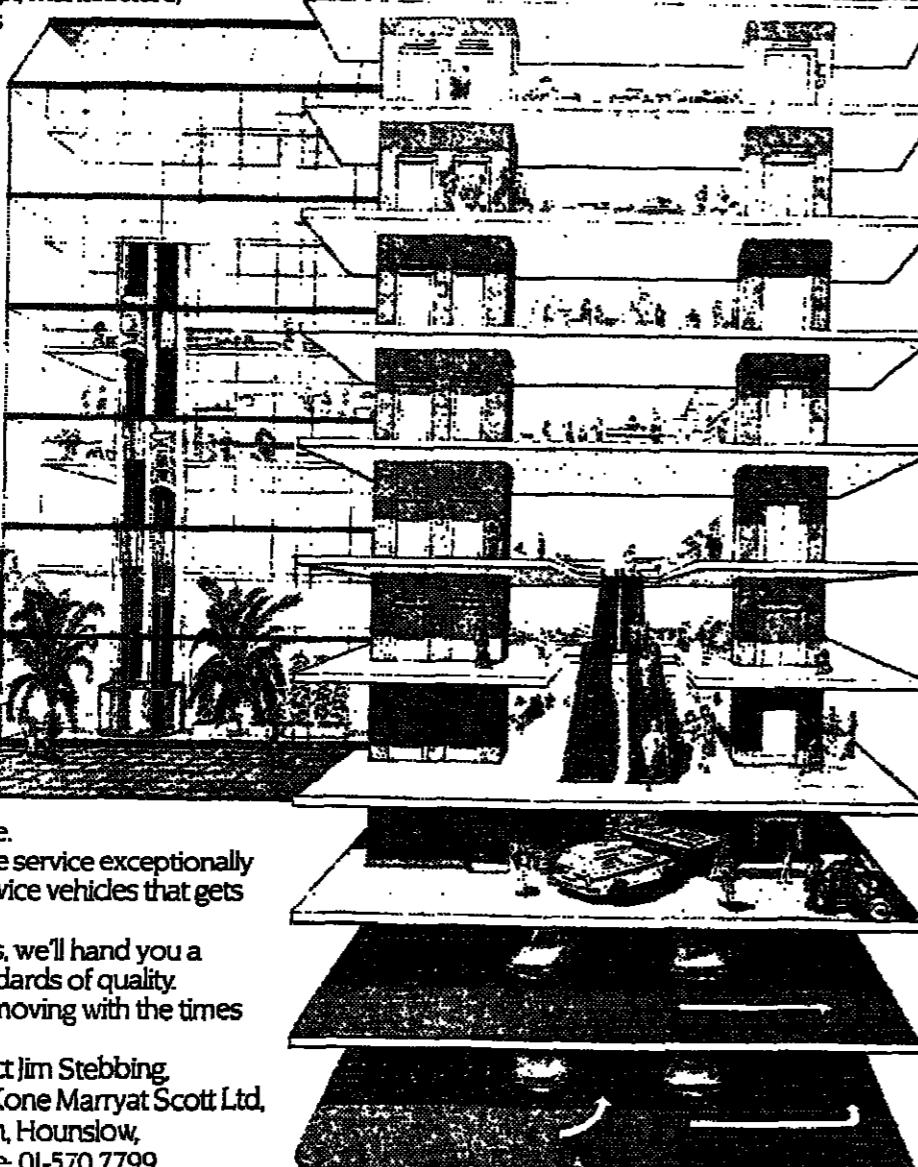
You'll find our nationwide service exceptionally reliable too—with a fleet of service vehicles that gets us to you fast.

When we've done all this, we'll hand you a guarantee for the highest standards of quality.

No wonder people are moving with the times with Kone Marryat Scott.

For further details contact Jim Stebbing, Marketing Services Manager, Kone Marryat Scott Ltd, 163-170 Wellington Road South, Hounslow, Middlesex TW4 5JN. Telephone: 01-570 7799.

Kone Marryat Scott



## INDUSTRIAL PROPERTY VI

# Need to adapt planning guidelines

### Mixed use development

TERRY GARRETT

WHETHER pushed by demand or pulled by desire Britain's planners have gradually come round to accepting that the industrial scene is changing and rigid Use Class Orders no longer reflect today's environment. For years the change of attitude was progressing at snail's pace. In the last three or four years, however, there has been a fairly dramatic change of heart and, as local planners are now aware of what the expanding sectors of industry need—mixed use buildings.

There are of course many sectors of business that still require traditional industrial accommodation suitable to heavy, noisy and dirty processes. Yet the newcomers spawned by the rapid rise of high technology industries have totally dif-

ferent requirements. Whereas, according to Slough Estates, 5 to 10 per cent of peripheral office space was more than adequate in an industrial complex, that figure has risen to around 20 per cent for standard industrial units. Indeed those companies operating in the so-called "high-tech" industries may want an office environment covering 40 or 50 per cent of their space.

That mixture of office and industrial/warehouse all under one roof is becoming typical of newer industrial developments. Moreover, as the British property scene takes another step towards the American counterpart with landscaped industrial areas, there is a small but growing presence of purely office blocks within industrial centres. So far, however, these have been erected at the fringes of the town centre but with the industrial content tucked behind. Yet even that condition is wavering in a few developments with modern industrial buildings sitting alongside pure office blocks.

Of course the rise of mixed use development does bring its

planning problems. A light industrial/warehouse building with an office content of say 40 per cent hardly fits neatly into the classifications that the planners turn to when giving their verdicts. How they actually go about giving their consent or otherwise quite obviously varies from region to region. Some might award a building a light industrial use class and accept that a large part of that building's footfall will be offices, while others might give a split consent for X amount of offices and Y amount of industrial in the same building.

### Hand in hand

The planners' more flexible attitude must in the main be a reflection of the recession. A less rigid adoption of the rules has gone almost hand in hand with rising unemployment. In fact, with permission, however, within an industrial site one will make many planners stop dead in their tracks.

Some planners are softening their attitudes to the siting of large retail superstores on traditional industrial develop-

ments, especially on major floorspace and it is those trunk roads, but it is still very difficult for the developers to increase local employment opportunities. It is about time that the Use Class Orders were overhauled and new guidelines adopted.

Unfortunately, not all planners have warmed their hearts to mixed use. Some stick rigidly to the Use Classes and that is that. Now the developers and agents have been quietly lobbying the Government to overhaul the Use Class Orders and bring them into line with today's industrial needs. So far the official response seems to be that those provisions are really only guidelines for the local planners and need not be adhered to unwaveringly. Therefore changes are unnecessary.

Yet, as Mr Peter Mantel of agents Jones Lang Wootton points out, that argument holds good only where the local planners have already adopted a flexible approach to mixed use developments.

Some planners are softening their attitudes to the siting of large retail superstores on traditional industrial develop-

ments, especially on major floorspace and it is those trunk roads, but it is still very difficult for the developers to increase local employment opportunities. It is about time that the Use Class Orders were overhauled and new guidelines adopted.

Unfortunately, not all planners have warmed their hearts to mixed use. Some stick rigidly to the Use Classes and that is that. Now the developers and agents have been quietly lobbying the Government to overhaul the Use Class Orders and bring them into line with today's industrial needs. So far the official response seems to be that those provisions are really only guidelines for the local planners and need not be adhered to unwaveringly. Therefore changes are unnecessary.

Yet, as Mr Peter Mantel of agents Jones Lang Wootton points out, that argument holds good only where the local planners have already adopted a flexible approach to mixed use developments.

Some planners are softening their attitudes to the siting of large retail superstores on traditional industrial develop-

## Pioneer prototype

### at Aztec West

ADAPTABILITY of building design is the key to any mixed use development. The architect has to construct a shell that can be changed with relative ease to suit a variety of needs, not just once but again and again over the course of its life. Only in that way can a modern manufacturer adapt his space to changing requirements of markets and of the company itself. A cladding material that can be swapped with limited effort would seem essential; that and a local planning authority with the foresight to understand today's changing needs of industry.

Certainly it is a technique being put to the test at Aztec West, one of the largest developments currently being undertaken, spreading over 170 acres eight miles north of Bristol. The development is close to the junction of the M5 and A38 and less than a mile from the M4 intersection.

The developer is Electricity Supply Nominees and development consultants are Richard Ellis. Between them ESN and Ellis commissioned a research survey in Santa Clara Valley, California—better known as

Silicon Valley—to establish some ground rules about the type and style of space being used there.

The research that emerged has been fundamental in drawing up Aztec. With the help of Northampton planners, who have clearly shown their awareness to changing needs in their relaxed view of planning permission. A £5m infrastructure was started in 1980. By the time Aztec is finished in the late eighties £100m will have been invested in 1.5m sq ft of industrial and warehouse space and a further 1m sq ft of purely office accommodation. A working community of between 5,000 and 10,000 is anticipated.

Another 25,000 sq ft of office space is virtually complete. 300 Aztec—part of which will be taken by Benson Electronics. Systime is building its own 20,000 sq ft of offices and a 10,000 sq ft of industrial/commercial space is being built for ICL for future use as its Western Service Centre.

The flexibility of Northampton's planning department is evident in the Systime development. The new building has pure office

established to the occupiers' own requirements.

Tenants in these two buildings include GEAC Computers, ICL, Systime Computers and Benson Electronics. Towards the south side of the development Digital Equipment is in 20,000 sq ft of specially designed accommodation. It is a single-class cladded building forming the first part of Digital's 60,000 sq ft of office development.

Another 25,000 sq ft of office space is virtually complete. 300 Aztec—part of which will be taken by Benson Electronics. Systime is building its own 20,000 sq ft of offices and a 10,000 sq ft of industrial/commercial space is being built for ICL for future use as its Western Service Centre.

The flexibility of Northampton's planning department is evident in the Systime development. The new building has pure office

space consent but Systime will be splitting it roughly in one-third administration, one-third service area for computer parts and storage for assemblies and one-third for its own large computer suite and training facilities.

But to return to the flexibility of 1400 and 1600, which typifies the adaptability of the whole Aztec project. Of the four tenants which have taken space all needed to change the layout, one quite dramatically. The whole concept of mixed use development can be demonstrated in the way each tenant has tackled what is basically the same space.

Benson Electronics is having an office building anyway but meantime it needed a straight warehouse for computer equipment. It has taken 8,500 square feet to stack equipment. A couple of partakeable are standing for office use—by PCL. PCL has taken accommodation in the large speculative building while its own purpose-built service centre is under construction. ICL has taken 8,000 square feet and kitted it out as part service and storage areas and part office accommodation.

Systime took 12,500 sq ft of what is fundamentally warehouse/light industrial and carpeted the whole lot. In came the office furniture and potted plants and Systime had 12,500 sq ft of offices. Obviously the developers had to swap a lot of the solid cladding for glazed units. But when Systime moves out on completion of its own development, the building could easily go back to solid walls for a cavernous warehouse.

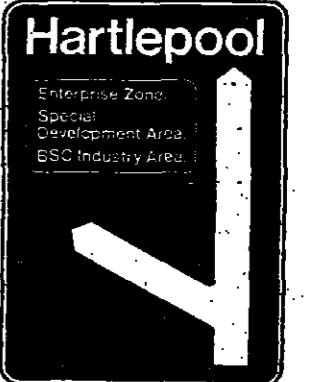
GEAC pursued a different route again. It took 8,500 sq ft and put in 4,000 sq ft of offices,

stacking 2,000 sq ft on top of another. That required a lot of alterations to the cladding and subsequently GEAC further increased its office accommodation so that it now makes up half of the building.

All four companies are taking what is basically the same shell and producing accommodation to suit their own totally individual needs. The end result will be classic mixed use development.

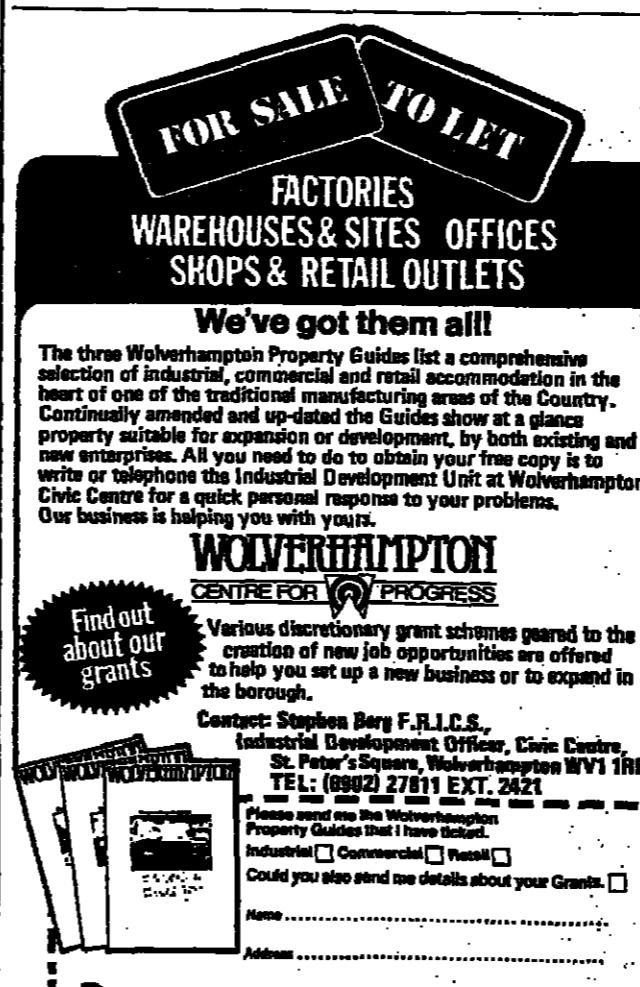
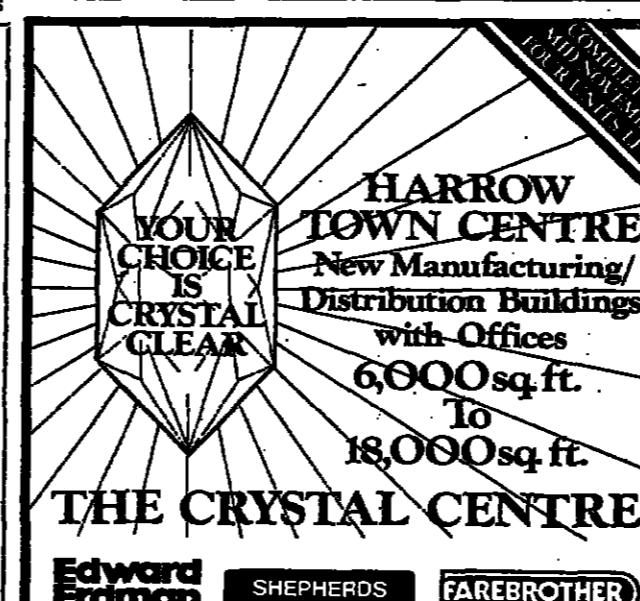
T. G.

### UNBEATABLE PACKAGE!



RATE FREE until 1991  
22% REGIONAL DEVELOPMENT GRANT  
ESFC LOANS  
100% CAPITAL ALLOWANCES

For details contact:  
E. Merle B.L.E. Industrial Development Officer, Civic Centre, Hartlepool. Telephone 0429 662222



## To let & for sale OFFICES WAREHOUSES FACTORIES SHOPS & LAND FOR DEVELOPMENT

This time saving and free service to business offers a vast selection of private and public sector premises in an easy to read format. Just fill in the coupon for details.

I am interested in:

(please tick boxes)

Factory and warehouse units—Industrial Estates   
Industrial and commercial premises in the City   
below 5,000 sq ft  5,000-10,000 sq ft   
10,000-20,000 sq ft  over 20,000 sq ft  Shops/Offices   
Industrial/Commercial sites  COUNCIL OWNED LAND   
OTHER INFORMATION: Financial Aid to Businesses   
Please send a copy of 'Birmingham the Business City'

Name: \_\_\_\_\_ Position: \_\_\_\_\_  
Company name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Type of business and no. employed: \_\_\_\_\_  
Name: \_\_\_\_\_ Tel: \_\_\_\_\_  
Address: \_\_\_\_\_  
Name: \_\_\_\_\_ Tel: \_\_\_\_\_  
Address: \_\_\_\_\_  
Or telephone Richard Parkin, FMCS, Commercial Officer, 021-235 3682 and 4693 or see PRESTEL 202225 #  
City of Birmingham Development & Promotion Unit, Council House, Birmingham B1 1BB.

**CITY OF BIRMINGHAM**



